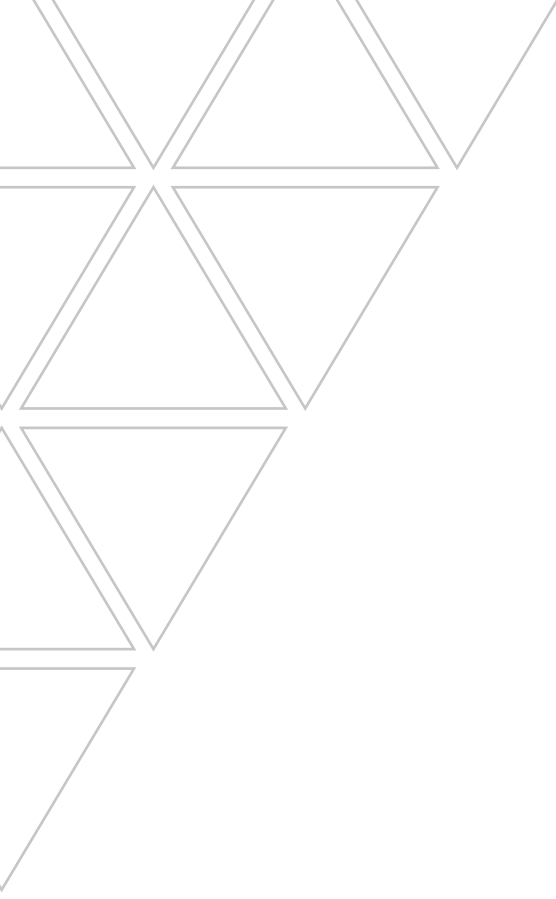




THE NATIONAL INJURY INSURANCE AGENCY
QUEENSLAND

Annual Report 2019-20



Interpreter service statement



The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the Annual Report, you can contact us on the enquiries line 1300 607 566 and we will arrange an interpreter to effectively communicate the report to you.

Accessing this report

Visit niis.qld.gov.au to view this Annual Report.

Copies of the report are also available in paper format. To request a copy, please contact us on the details below.

NIISQ Agency

GPO Box 1391, Brisbane Qld 4001

Phone: 1300 607 566

Email: enquiries@niis.qld.gov.au

Web: niis.qld.gov.au

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Acknowledgement

We acknowledge the Traditional Owners of the lands on which we operate and recognise their connection to land, waters and community. We pay our respects to them and their cultures, and to Elders past, present and emerging.

Letter of compliance and certification of financial statements

31 August 2020

The Honourable Cameron Dick MP
Treasurer and Minister for Infrastructure and Planning
GPO Box 611
BRISBANE Qld 4001

Dear Treasurer

I am pleased to submit for presentation to the Parliament, the Annual Report 2019-2020 and financial statements for the National Injury Insurance Agency, Queensland.

I certify that this Annual Report complies with:

- » the prescribed requirements of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and the *National Injury Insurance Scheme (Queensland) Act 2016*, and
- » the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at Appendix 4 of this Annual Report or at www.niis.qld.gov.au.

Yours sincerely



Julie-Anne Schafer

Chairperson
Board of the National Injury Insurance Agency, Queensland

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ABOUT US

About NIISSQ

The National Injury Insurance Scheme, Queensland (NIISSQ) funds necessary and reasonable treatment, care and support for people who sustain an eligible serious personal injury in a motor vehicle accident in Queensland, on or after 1 July 2016.

NIISSQ is a no-fault scheme, meaning necessary and reasonable treatment, care and support can be funded regardless of who was at fault in the accident. The injured person must also meet all eligibility criteria outlined in the *National Injury Insurance Scheme (Queensland) Act 2016* (the Act) and *National Injury Insurance Scheme (Queensland) Regulation 2016* (the Regulation).

Eligible serious personal injuries

- » Permanent spinal cord injuries
- » Traumatic brain injuries
- » Multiple or high-level limb amputations
- » Permanent injury to the brachial plexus
- » Severe burns
- » Permanent blindness caused by trauma

Necessary and reasonable treatment, care and support funded under NIISSQ

- » Rehabilitation
- » Medical and pharmaceutical treatment
- » Dental treatment
- » Prostheses
- » Aids and appliances
- » Respite care
- » Educational and vocational training
- » Home and transport modifications
- » Attendant care and support
- » Ambulance transportation

After a person applies and is accepted as an interim participant in NIISSQ, they will receive funding for necessary and reasonable treatment, care and support related to their motor accident injuries for the first two years. Towards the end of those two years, a participant is assessed to determine eligibility as a lifetime participant. Different criteria apply for children who are accepted in to NIISSQ.

About the NIISSQ Agency

The National Injury Insurance Agency, Queensland (NIISSQ Agency) administers and pays for necessary and reasonable treatment, care and support for NIISSQ participants, and manages and monitors the provision of these services.

We have a positive, collaborative and innovative working culture that contributes to the delivery of high-quality service for participants and excellence across all our business functions.

Our office has been located in Brisbane since the NIISSQ Agency was established under the Act on 1 July 2016. We deliver services to participants who live in Queensland and interstate. Our Participant Care teams travel frequently to visit participants across Queensland to provide high-quality, tailored support.

Our key functions are to:

- » administer, monitor and review the operation of NIISSQ, including the treatment, care and support received by NIISSQ participants.
- » provide information to the community about NIISSQ.
- » conduct research and collect statistics about NIISSQ.
- » give advice and information to the Treasurer and the Insurance Commission about the administration, efficiency and effectiveness of NIISSQ.
- » provide support and funding for programs, research and education relevant to the treatment, care and support of participants in the Scheme.
- » manage the fund that pays for the costs of providing necessary and reasonable treatment, care and support to participants.
- » keep a register of providers of services under NIISSQ.

Under an agreement with Queensland workers' compensation insurers, we also administer eligible workers' treatment, care and support on their behalf.

SUPPORTING GOVERNMENT PRIORITIES

To support *Our Future State: Advancing Queensland's Priorities*, we contribute to the following Queensland Government objectives for the community:

- » **Be a responsive government** by making NIISSQ services accessible to eligible participants.
 - NIISSQ is a no-fault scheme which means that we fund treatment, care and support regardless of who was at fault in the motor vehicle accident, as long as the injured person meets all eligibility criteria as outlined in the Act and Regulation.
 - We collaborate with government agencies and service providers to deliver integrated services.
- » **Keep Queenslanders healthy** through empowering

participants to live their best lives.

- We work with NISQ participants to set and achieve their individual goals, maximise their independence and participate in the community and employment. NISQ benefits Queensland communities through improved health outcomes, and improved social and economic participation by the person who is injured, their family and carers.

OUR VISION

- » Making lives better.

OUR ROLE / PURPOSE

- » Build capability to provide financially sustainable lifetime care and support for participants through individual choice and independence.

OUR STRATEGIC CHALLENGES

We meet the potential challenges of:

- » budgeting for, and managing demand for services.
- » effective management and evolution relating to changes to legislation and regulation.
- » privacy, information security and data breach.
- » IT system adequacy to support service delivery.
- » sourcing and securing adequate services and to manage outsourced arrangements.

OUR VALUES

Participants first

- » Understand each NISQ participant and their personal circumstances.
- » Deliver safe, effective participant-centred services.
- » Dignity and respect are paramount.

Ideas into action

- » Foster a culture of continuous improvement.
- » Collaborate with the right people to produce the best results.
- » Challenge the norm - commit to innovate.

Unleash potential

- » Pursue and maintain excellence.
- » Lead by example.
- » Engage with participants and stakeholders in service design and delivery.

Be courageous

- » Own individual, and team, performance outcomes.
- » Be empowered to disclose safety or quality concerns.

- » Make decisions that are clear and appropriate.

Empower people

- » Contribute to a safe and positive culture.
- » Acknowledge team members' strengths and contributions.
- » Provide learning and knowledge sharing opportunities for team members.

ABOUT PARTICIPANT CARE

Our combined professional expertise, extensive network and experience with unique service delivery places NISQ Agency as a centre for excellence for the treatment, care and support of people who have sustained serious personal injuries.

The Participant Care teams include qualified allied health and disability service professionals, with expertise in supporting people with serious personal injuries in their recovery from injury and return to living in their community.

Our teams work collaboratively, drawing on the diverse skills and experience of colleagues, to deliver necessary and reasonable treatment, care and support to NISQ participants and injured workers. Individuals supported by our team benefit from their expertise, which spans nursing, psychology, social work, occupational therapy, exercise physiology, physiotherapy and community disability services.

The team members also share an in-depth knowledge and have specialist skills in the areas of disability aids and equipment, home and vehicle modifications, vocational rehabilitation and return-to-work, driving assessments, and management of psychological stressors associated with catastrophic injury and the promotion of psychological wellbeing.

The teams work to ensure NISQ participants and eligible workers are supported through the acute, rehabilitation and maintenance phases of their recovery journey. Services are tailored to the paediatric, adolescent, adult, mental health, aged care and cultural needs of participants.

Directly working with participants and their family members allows the Participant Care teams to develop an in-depth understanding of participants' lives. Our teams also have the capacity to travel to rural and remote areas to meet with participants and their families. They also engage participants through a range of technologies. Through close working relationships, we provide participants with responsive and timely access to treatment, care and support services.

YEAR IN REVIEW

A message from our Chairperson

I am pleased to present the 2019-20 Annual Report for the NIISQ Agency. The NIISQ Agency has completed its fourth year of providing necessary and reasonable treatment, care and support to NIISQ participants, realising its commitment to Making Lives Better through the objectives set out in our *Strategic Plan 2016-2020*.

An increasing number of participants have joined the Scheme this year, with 266 interim and lifetime participants in the Scheme as at 30 June 2020. It is an unfortunate reality that anyone can sustain serious personal injuries in a motor vehicle accident. The NIISQ Agency has continued to liaise with Hospital and Health Services throughout Queensland. This includes providing targeted education through regular presentations about NIISQ to hospital professionals who work in the acute and community-based rehabilitation phases. The NIISQ Agency has also collaborated with Metro South Health to provide training on eligibility of the Scheme to ensure eligible participants are identified. These efforts have strengthened key partnerships to ensure eligible participants can receive the treatment, care and support they need as a result of their injuries.

Our focus continues to be on a culture that respects participants as individuals and strives to support them to achieve their personal goals and their rehabilitation and health outcomes.

It is pleasing to record that, during the 2019-20 period, 17 participants exited the Scheme in accordance with the Act, as they were no longer medically eligible to continue as a Scheme participant due to the positive health outcomes achieved in their two-year interim period.

To facilitate participants' efforts to return to work after injury, some have received necessary and reasonable funding for vocational counselling and return to work services, as well as funding of short courses/licenses to retrain or reskill. In addition, participants are linked in with funded support services available through other schemes, such as the *Back2Work* program, disability support services through tertiary facilities, and federally funded vocational services. Enabling participants to return to work after their injury provides positive benefits for participants, their families and the broader community.

The NIISQ Agency has continued its strong focus on engagement to support its service delivery and partnerships. Trusted relationships with participants and their families remains central to the NIISQ Agency's engagement, as well as connecting with the broader healthcare and disability community. The NIISQ Agency has also fostered beneficial relationships with interjurisdictional schemes to learn from the experience of more mature schemes while working together.

The ongoing relationship with the First Peoples Disability Network (FPDN) has continued, with the *Getting Strong Again* resource available for Aboriginal and Torres Strait Islander participants entering the Scheme.

The NIISQ Agency has also developed for next year an Aboriginal and Torres Strait Islander education and engagement plan. The plan identifies additional advocacy groups and partners who may assist the NIISQ Agency in engaging and supporting Aboriginal and Torres Strait Islander participants.

We have also significantly increased the number of service providers who can deliver services in regional, rural and remote areas to ensure more locally accessible providers for participants.

The Coronavirus (COVID-19) pandemic presented particular challenges. The health and safety of NIISQ participants and staff remained at the forefront. We remain grateful that through the vigilance of the organisation, led by the CEO, and others there have been no positive tests for either participants or staff. The NIISQ Agency adopted an appropriately cautious approach to the pandemic—given the strong relationships between, often vulnerable, NIISQ participants and the NIISQ Agency staff. All NIISQ Agency staff worked from home, harnessed technology, kept safe and, importantly, kept participants safe. The NIISQ Agency prioritised continuity of safe treatment, care and support for all NIISQ participants.

The NIISQ Agency's *2020-2024 Strategic Plan* was developed in the later part of the period. The plan positions the NIISQ Agency well to build on its foundational success and continue to evolve its support to participants through the use of technology and applied research, focused on assisting participants in their daily lives.

Together with my Board colleagues, I extend sincere thanks to CEO Sally Noonan and the entire team for their efforts in this particularly challenging year. The NIISQ Agency's focus never wavered from the interests of participants, while also effecting significant corporate service transitions including more suitable accommodation and a new IT system.

I would like to thank Deputy Chairperson, Michael Willis, and my Board colleagues for their support throughout the year.



Julie-Anne Schafer
Chairperson

CEO report

For an organisation focussed on delivering health and social outcomes in a financially sustainable way, the 2019-20 financial year presented a number of challenges. Our response to the health and economic challenges posed by the COVID-19 pandemic was guided by our number one priority – the safety and well-being of NIISSQ participants and team members. We have taken a cautious and conservative approach to maintaining health security and it has paid off. We are deeply grateful that we have had no reported positive COVID-19 cases among NIISSQ participants, providers or staff. We are also well positioned to weather the economic effects of the pandemic on the NIISSQ Fund.

Our response to COVID-19 was founded on the '4 Ps' of the NIISSQ Agency – Participants, Providers, Payments and People. We adjusted the way we worked to focus on continuity of service for participants. The NIISSQ Agency adapted our processes and worked with service providers to ensure they were able to continue to provide treatment, care and support to participants. We positioned ourselves as a partner of choice for our providers, with close and responsive engagement, and maintaining prompt cash flows to support these often very small and essential businesses. Within the NIISSQ Agency, we transitioned to working from home, using online platforms to communicate with participants, service providers, stakeholders and each other, creating a safe way to engage and work together.

I would like to thank the team at the NIISSQ Agency for working so hard and being so resilient during this changing and challenging time. Their response to the COVID-19 pandemic reaffirmed my belief in the strong commitment of this group of people that I am fortunate to work with. The 'NIISSQ Way' is certainly resourceful, collaborative and caring. It is also responsive, innovative and adaptable in the pursuit of Making Lives Better.

I would also like to take this opportunity to thank Ms Julie-Anne Schafer, Chairperson, and all members of the NIISSQ Board for their advice, guidance and support throughout this extraordinary year. We are privileged to be able to draw from the broad and deep expertise and experience of our Board members.

PERFORMANCE HIGHLIGHTS

Our performance in maintaining the safety of participants, our partners and our people during the COVID-19 pandemic was consistent with the NIISSQ Agency's overall high-performance standards in quality service delivery and relationship management. Other performance highlights for NIISSQ Agency in 2019-20 were:

A strategy renewed

This year the NIISSQ Agency supported the NIISSQ Board to develop the *NIISSQ Agency Strategic Plan 2020-2024* (niiis.qld.gov.au). Under the new strategic plan our purpose will be Empowering participants to live their best lives, guided by refreshed objectives and strategies, and robust measures. The *Strategic Plan 2020-2024* is an important milestone for the NIISSQ Agency that will guide the next stage of our evolution. I look forward to working with the team to focus on our new objectives, implement our new strategies and realise our new performance measures.

A focus on service delivery

As the NIISSQ Agency matures to an established statutory body, it is appropriate that we define clearly what best practice means for us and how we rate against this benchmark. This year we engaged a highly qualified and experienced external expert to review our service delivery approach. The review examines our model of service delivery in the context of performance, strategic objectives and the legislative framework of the Scheme. The review is underway, applying a participant-centred and collaborative approach. I am grateful for the support of all team members in the NIISSQ Agency, and the insights provided so far by participants, providers, hospitals, advocacy groups and peers in other jurisdictions. The aim of the review is to enhance our approach to service delivery for participants towards Making Lives Better.

Enhancing our network of providers

Service providers are critical to the NIISSQ Agency's delivery of treatment, care and support to participants. We have formed strong and productive working relationships with providers that are the best in their field and who understand our participant-centred approach. To enhance how we engage with support providers to deliver attendant care and support, we conducted a registration process for providers specialising in this field. The process, which aims to set a higher bar in terms of quality and safeguarding for NIISSQ participants, received a strong response from the attendant care and support sector.

Research and Education

With the support of the NIISSQ Board, we launched the Research and Education initiative. The initiative will enable us to work closely with research and education thought-leaders by funding and leading projects that will bring real benefits to participants. I am delighted that this will allow us to work alongside the best researchers to support innovative treatment, care and support approaches and better health outcomes for NIISSQ participants.

Responsible stewardship of the NIISQ Fund

The NIISQ Fund is managed for the effective investment of the proceeds of the NIISQ Levy on registered vehicles which funds the Scheme. The NIISQ Agency is developing an agreement with the State Investment Advisory Board (SIAB) and the Queensland Investment Corporation (QIC) to manage these investments on behalf of the Board. This will also provide for improved performance reporting and monitoring of the NIISQ Fund, enhancing the ability of the Board to monitor the long-term financial health of the Scheme.

A hybrid scheme

NIISQ is unique among other state or territory lifetime care schemes in that it provides lifetime participants who have a Compulsory Third Party (CTP) civil claim with the option of either receiving their lifetime treatment, care and support needs through the NIISQ Agency or receiving it as a lump sum when their CTP claim settles. The NIISQ Agency respects and values this choice as a fundamental feature of the Scheme.

The NIISQ Agency engages with civil claims by participants with the same fair, objective and principled approach that we take to assessing treatment, care and support needs within the Scheme.

GROWING INTO OUR OWN ENTITY

The NIISQ Agency has developed as an independent body with a strong performance culture. A number of measures are in place to support the NIISQ Agency's operations and people. Workplace health and safety is a high priority for the NIISQ Agency and the NIISQ Board, and detailed mechanisms to ensure employee safety are now in place.

The NIISQ Agency operates in line with a Code of Conduct, which has been approved by the Treasurer, and is establishing functions to manage strategic communications, an enhanced information technology environment and improved procurement processes.

Governance of the complex relationships involved in the delivery of the services provided for in the Act is being increasingly enhanced. We are striving to continuously improve in everything we do, as embodied in the NIISQ Innovation Strategy that we developed and adopted this year.

IN CLOSING

This year has been like no other. We have experienced significant changes and challenges due to the COVID-19 pandemic. We have responded exceptionally well to this risk to our community by staying connected and focused on our clear vision for NIISQ participants – Making Lives Better. We have successfully navigated the complexity of delivering participant-centred services across a vast geographic area and acknowledge and respect NIISQ participants' life stages and cultural backgrounds. We have worked collaboratively with participants, providers and other stakeholders with a strong focus on empowering participants to live their best lives.

We at the NIISQ Agency are committed to and passionate about our work because we know it makes a difference. Witnessing the strength of the human spirit overcome the life-changing effects of a traumatic motor vehicle accident is something that is part of our every day. It is truly a privilege for us to contribute to a participant's journey towards independence, whether it be re-joining family and social activities, connecting with community groups, or returning to work places. We have achieved a great deal over the year and we have much more to do. We are committed to understanding participants' needs, to building a strong "NIISQ network" of partners, to getting the foundations right, and to continuously improve. We are looking forward to experiencing what we can achieve together.



Sally Noonan
Chief Executive Officer

PEOPLE

Our people

Our people are what makes the NIISQ Agency a capable, agile and innovative organisation. We are committed to professional excellence and dedicated to working together towards empowering participants to live their best lives.

OUR VALUES

Our values are the foundation for how we work (page 2). All employees are expected to maintain the highest ethical standards and conduct themselves in a way that reflects our values, policies and statutory obligations.

CODE OF CONDUCT

We are meeting our obligations under the *Public Sector Ethics Act 1994*.

Although we are bound to the wider Queensland Government Code of Conduct, in 2019-20, the Treasurer approved the establishment of our Code of conduct (the code) which covers the nuances and specificities of us as an Agency.

The code recognises that we can all demonstrate ethical leadership in how we perform our roles within the NIISQ Agency and is a statement of our commitment to fulfilling the purpose of the Act. The code underpins how we work, the decisions we make and the actions we take every day as we engage with participants, providers, stakeholders and each other.

INDUSTRIAL AND EMPLOYEE RELATIONS

In 2019-20, the NIISQ Agency was formally included in the *State Government Entities Certified Agreement 2019* (Core Agreement). The NIISQ Agency Consultative Committee provided all employees with detailed consultation opportunities throughout the process of being a party to the Core Agreement.

The NIISQ Agency Consultative Committee provides a forum for regular engagement with the Together Union, with regular meetings held about organisational change, policies and other employment matters.

We did not receive any employee complaints throughout the 2019-20 period.

WORKPLACE TRANSITIONS

In 2019-20 the NIISQ Agency welcomed new employees and farewellled employees, with a separation rate of 5.71%.

During the period, no redundancy, early retirement or retrenchment packages have been paid.

COMMITTED TO EXCELLENCE

Recruitment

Our team of highly qualified staff is our greatest strength. We put an emphasis on recruiting new team members who share our values, as well as those who have the right level of skill and experience for their roles.

We are shaping the NIISQ Agency as an employer of choice which is evidenced by the high-quality and high-volume applicant pools for roles advertised in 2019-20.

Corporate Induction

The corporate induction process was enhanced in October 2019 and continues to be rolled out to new staff, including those who started remotely while working through the COVID-19 restrictions.

The induction welcomes new employees and shares information about NIISQ and the NIISQ Agency to enable a comfortable transition into their new role and their ongoing success.

The induction will remain an evolving process to be reviewed and enhanced as needed. It also serves as an effective hub of information for existing Agency employees.

Professional development

Professional development and training continue to be priorities to continuously develop our highly skilled people across a range of fields. We have regular employee and supervisor feedback discussions, as well as peer case review processes.

Personal learning and development through Study and Research Assistance Scheme (SARAS) and other training course attendance relevant to individual team member roles is encouraged.

During the 2019-20 period, employees received training on a range of areas:

- » Workplace Health and Safety (WHS) including:
 - Leading Well - Building Positive Relationships for Resilience and Thriving Workplaces
 - Safe Work Month
 - Injury Prevention and Return to Work
 - Understanding Domestic and Family Violence
 - Mentally Health Workplaces
- » Right to Information and Information Privacy
- » Spinal Trauma Research presented by Dr Dinesh Palipana
- » Introduction to the *Queensland Human Rights Act 2019*
- » Back2Work Vocational and Employment Training
- » *Getting Strong Again* cultural awareness training

- » Capability development on topics including:
 - Participant-Centred goal planning
 - Australia and New Zealand Spinal Cord Society 2019 Highlights Persistent Pain Conditions in Multi Trauma Individuals
 - Functional Independence Measure (FIM)
 - Psychosocial Aspects of Disabling Musculoskeletal Pain.

CAPABILITY FRAMEWORK

Leadership capability and engagement

We have established a leadership capability and engagement framework, which provides regular capability training and discussions for our leadership program. Leaders are encouraged to share their learnings with team members to support business improvement.

The framework includes the establishment of fortnightly leadership meetings, and an array of activities and discussions aimed at providing timely and relevant information to further enhance the capability and development of each of the NIISQ Agency's leaders.

Increasing capability through our work

We have embraced the *70/20/10 strategic workplace learning model* to develop high performing employees for the NIISQ context. The model incorporates 70 per cent on-the-job learning from the diverse and high-quality expertise of team members; 20 per cent from interactions with others, and 10 per cent from formal educational events.

Our knowledge management practices have been improved to capture, share and grow our thinking to build our capability and agility to deliver the high-quality services to NIISQ participants with a focus on empowerment and facilitating their independence. This includes Participant Care subject matter experts highlighting and sharing experiences with the broader team.

Measuring our employee engagement

During 2019-20, we conducted our second annual NIISQ Agency employee opinion survey which supports our organisational effectiveness and performance.

Through the survey, employees are invited to have their say on what is going well and where we need to improve. The outcomes will assist the NIISQ Agency to identify areas to enhance employee satisfaction and culture in line with NIISQ values.

We collaborate with team members to develop joint organisational and individual team member actions for key areas of improvement.

HEALTH, SAFETY AND WELLBEING

Road safety

Many of our people spend a significant amount of time on the road, driving long distances to provide vital face-to-face support for NIISQ participants. Our Using Vehicles for Work policy was developed and implemented to ensure a gold standard of road safety practices is followed by our employees. Fully embedding and monitoring this policy will be a focus in 2020-21.

Employee health and wellbeing

We recognise that our people work within a challenging environment, so their work health, safety and well-being continues to be an important focus for our Board and Executive Leadership Team (ELT).

A Work Health and Safety (WHS) framework and policy has been created, with the NIISQ Agency WHS Consultative Committee implementing a range of initiatives throughout the NIISQ Agency. The Committee ensures all staff are aware of important Agency safety, health and well-being initiatives. Key initiatives include Employee Assistance Provider (EAP) arrangements, free-of-charge flu vaccinations, building emergency evacuation procedures, ergonomic principles and access to First Aid. An annual calendar of initiatives supports the WHS framework and policy.

We encourage best practice ergonomics and for team members to limit how much time they spend sitting at a desk, to further improve health and fitness.

Vicarious trauma management strategy

Our Vicarious Trauma Management Strategy has also been instrumental in fulfilling our duty of care to our people. We provide professional and regular external debriefing with a clinical psychologist for our Support Planners whose daily work involves working closely with people who have experienced trauma. Debriefing sessions were extended further to staff as they faced unique challenges while working from home during the COVID-19 pandemic and other work-related stressors.

Diversity and inclusion

Our leaders are role models and promote a family-first approach. They are active supporters of inclusion and diversity in the workplace, and regularly acknowledge external awareness events, such as NAIDOC Week and R U Ok Day. They also work extensively with external related agencies and stakeholders to ensure our organisation remains at the forefront of industry trends and changes.

The NIISQ Agency Social Club contributes to workplace culture by strengthening social connections at work and increasing employee engagement.

Promoting a work/life balance

Agile and flexible working is identified as a key initiative within the *Queensland public sector 3-year human capital roadmap*. Flexible work practices achieve better organisational outcomes and support employees to find balance and wellbeing. We continue to embed the Commission's *Flexible by Design Framework* throughout the NISQ Agency.

With an emphasis on our people and their families' well-being, all staff have access to regular leave and working arrangements that promote work/life balance, including:

- » flexible work arrangements, such as flex-time and time off in lieu
- » part-time work arrangements
- » working from home
- » telecommuting for staff who live in other parts of Queensland, and in other states.

These arrangements are open to all employees—regardless of their position title or level.

OUR WORKFORCE PROFILE

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis is 46.1.

PLANNING FOR THE FUTURE

We are proud of our culture at the NISQ Agency and will continue to focus on implementing positive and successful people and culture initiatives.

In 2020-21, we will embed the Support Planner Capability Matrix that describes capabilities and expected proficiency levels within the Participant Care team.

A broader mandatory team capability development program will also be developed.

With support from an external consultant, the NISQ Agency has commenced the initial phase of the Review of our Service Delivery Model which will continue into 2020-21. This review will consider best practice service delivery within the NISQ context. Recommendations and outcomes from the Review of the Service Delivery Model will inform continuous improvement of our organisational design and our capability frameworks.

Our Executive Leadership Team

The ELT drives the delivery of our strategy, and leads the operations of the NIISSQ Agency. The ELT has decision-making authority, works to the Board's priorities, engages collaboratively and delegates responsibilities for action within their teams.

Ms Sally Noonan

Chief Executive Officer

BEd, GradCert Mgt (Mktg), PMESA, GAICD

Sally has a track record of delivering excellence in public service that spans thirty years across the federal and state governments. Her efforts have led to improved outcomes for Queenslanders (and Australians more widely) in areas including regional economic and infrastructure development, social inclusion and environmental protection.

She has a sophisticated understanding of the strategic policy and program process which she applies to varied and complex multi-discipline challenges. Sally is acknowledged as a reformer and driver of change who empowers others to perform at their best through innovative thinking and collaboration.

Sally is responsible for ensuring the efficient and effective administration and operation of the NIISSQ Agency in accordance with the Board's priorities.

Ms Bronwyn Jenner

Head of Participant Care

BOccThy, GradDip OHS, Grad Dip Bus Admin

Bronwyn trained as an occupational therapist and has extensive experience in serious personal injury case management, including leadership and stakeholder management in personal injury insurance across the public and private sectors.

Bronwyn is responsible for the delivery of high-quality services for NIISSQ participants and has a strong focus on a participant-centred approach to support planning and access to services.

Mr Chris Turnbull

Head of Corporate Services

B Com, FIML

Chris has wide experience in the provision of services within both the public and private sectors with time spent in a range of organisations including Queensland Treasury, and the Office of Gaming Regulation.

He has also played leadership roles in the provision of shared corporate services within the public sector.

Chris is responsible for the delivery of high-quality corporate services for the NIISSQ Agency as well the management of the investment of levy revenue.

Mr Carl Richards

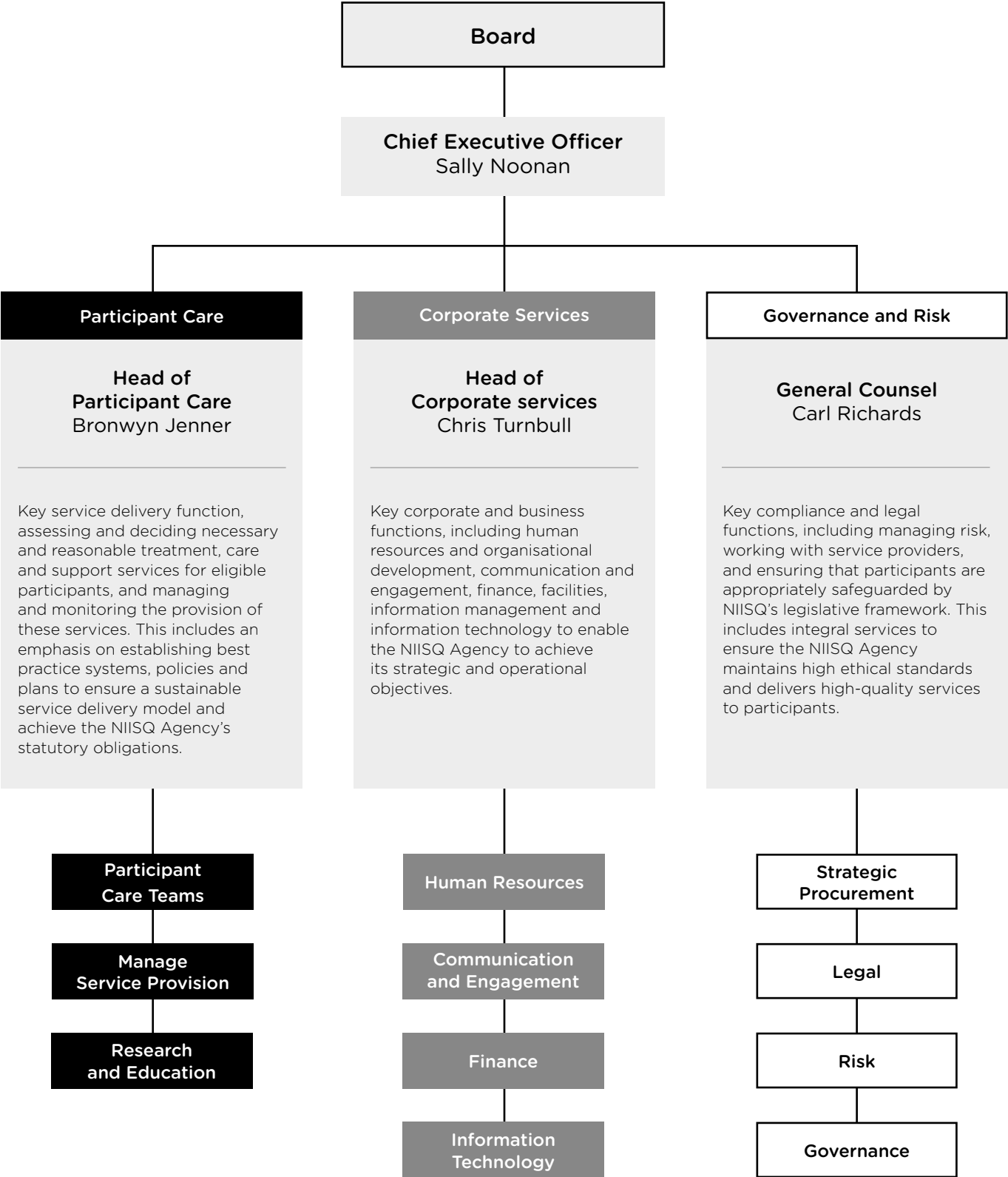
General Counsel

LLB, MAICD

Carl is an internationally qualified and experienced lawyer and senior manager. He has worked for a range of private industries and public sector organisations including the New Zealand Accident Compensation Corporation. He has extensive experience as a leader of in-house legal teams, as a company secretary, and in the fields of governance, compliance, risk management and crisis management.

Carl is responsible for managing the NIISSQ Agency's legal function. He is also the NIISSQ Agency's Governance Officer, providing support to the Board and Board Committees, and its Risk Officer, responsible for coordinating the assessment and mitigation of risk.

Our organisational structure



OUR PERFORMANCE

Aligning with the strategic plan

Our performance for 2019-20 has been reported against each strategic objective within our *Strategic Plan 2016-2020 (Revised 2019)* – refer to Appendix 4 (page 80).

- » Effective partnerships and engagement
- » Deliver high quality services
- » Capable, agile and innovative organisation
- » Financially sustainable scheme

Key initiatives

The NIISQ Agency delivered its strategic objectives through a number of key initiatives. Performance has also been measured against these key initiatives.

Performance against strategic objective:

Effective partnerships and engagement

PERFORMANCE HIGHLIGHTS 2019-20

- » Effectively engaged with participants, providers and government stakeholders to proactively mitigate healthy and safety risks during COVID-19.
- » Worked collaboratively with Queensland Government agencies to advance key initiatives within the NISQ Agency's strategic plan including Queensland Treasury, Disability Connect Queensland, the Department of Transport and Main Roads, The Public Trustee of Queensland, and the Department of Housing and Public Works.
- » Engaged with the research and education sector to implement the NISQ Research and Education Strategy, which will deliver translational research and education projects that will have real benefits for participants.
- » Engaged with the legal sector, including the Queensland Law Society, Queens' Counsels, the Medical Assessment Tribunal, Queensland Civil and Administrative Tribunal Secretariats and personal injury and commercial law firms, to build awareness of NISQ.
- » Harnessed strong working relationships to support NISQ Fund management, with entities including the Queensland Investment Corporation, State Investment Advisory Board and the State Actuary.
- » Worked with interjurisdictional schemes to share best practice and experiences in service delivery. The NISQ Agency contributed funding for a project officer to lead a project to coordinate and enhance collaboration across the schemes.
- » Formed a highly productive working relationship with the Department of Housing and Public Works to support participants facing accommodation uncertainty to apply for housing solutions.
- » Inaugural service provider opinion survey conducted to obtain benchmark data for continuous improvement on how we work with service providers. The results will inform ongoing strategies for enhancing relationships and communication with providers.
- » Conducted regional visits to hospitals and health providers, particularly Townsville and the Darling Downs, to increase NISQ awareness and early referral pathways for participants.

CHALLENGES

- » Stakeholder engagement planned through some regional visits, conferences and workshops was postponed or cancelled due to COVID-19, in some cases engagement could continue by use of video conferencing.
- » Building new relationships and connections was constrained by lack of face-to-face contact due to COVID-19 restrictions.

FUTURE FOCUS 2020-21

- » Engage with participants, providers and other stakeholders towards achieving the outcomes of the Review of the Service Delivery Model.
- » Form partnerships to implement the Research and Education Strategy and harness research opportunities that benefit participants.
- » Expand the registered provider network to cover home modifications and the coordination of treatment, care and support through formal registration processes.
- » Conduct the inaugural participant survey to engage with participants towards benchmarking service provision.

2019-20 Key initiatives status summary

Key Initiative	Targets	Progress update	Status
Establish and build relationships with peak bodies to build genuine connections to tap into key research and industry leaders in lifetime care and support for the benefit of participants.	Stakeholder engagement strategies are implemented with 100% of peak bodies.	We implemented stakeholder engagement strategies with peak bodies to tap into key research leaders in lifetime care and support for the Research and Education Strategy. Stakeholder engagement for broader industry leaders has occurred via a multitude of channels, including membership in the Heads of Motor Accident Insurance Schemes; and participation in various industry events. A detailed communication and engagement strategy will be finalised in the first quarter of 2020-21.	○
Implement the Research and Education Strategy to enable the NISQ Agency to support and fund programs within the research and education sector relevant to the treatment, care and support of participants.	100% of research spend is in accordance with the guiding principles for support and funding, as outlined in the Research and Education Strategy.	The NISQ Agency developed the Research and Education Strategy and commenced stakeholder engagement to identify a range of potential research and education proposals. The first proposals under the Research and Education Strategy will be considered for approval in the 2020-21 period. Engagement with the research and education sector is continuing and will be an important aspect of this initiative.	△
Seek and action ongoing feedback from stakeholders on the performance of the Scheme to better meet the needs of participants. Improve dialogue, information sharing and visibility with the community to increase awareness of NISQ.	80% positive feedback that the Scheme is meeting the reasonable needs of participants.	The NISQ Agency developed the Research and Education Strategy and commenced stakeholder engagement to identify a range of potential research and education proposals. The first proposals under the Research and Education Strategy will be considered for approval in the 2020-21 period. Engagement with the research and education sector is continuing and will be an important aspect of this initiative.	○
Increase our referral and stakeholder base to ensure those who need our services are aware of how to access them. Ensure those who deliver services to our participants are aware of and understand how the Scheme operates.	Measure the impact of our referral base engagement strategies for efficiency.	79% of referrals to NISQ were referred via a hospital or support worker who either assisted the participant and/or their family/ advocate in completing an application or completed the application on the participant's behalf. 21% of referrals were from CTP insurers/their legal representatives, of which the majority were late applications compared to the date of the participant's accident.	○
	Aim for a 25% increase in subscribers to our targeted quarterly newsletters.	Our newsletter subscriber list, which includes research organisations, key stakeholders and valued service providers, increased by 39% during the 2019-20 period.	○
Establish a policy and procedural framework for the management of service providers (including relationship management and quality standards requirements) to provide optimal care solutions efficiently and effectively for our participants.	80% positive feedback that our service providers find us easy to do business with and that we transparently manage their performance.	The inaugural Service Provider opinion survey conducted in 2019 revealed 94% of service providers were satisfied with their interactions with NISQ Agency, and 97% found interactions generally met expectations.	○
	100% of registerable service providers are registered and published on the NISQ website.	100% of registerable service providers are registered and published on the NISQ website.	○
	100% of attendant care and support providers meet the National Quality Safeguards Framework.	79% of attendant care and support providers are accredited against an industry recognised quality and safeguarding framework. 21%* of attendant care and support providers are not accredited against an industry recognised quality and safeguarding framework. *as part of our recent re-registration process for attendant care and support services, providers not accredited against an industry recognised quality and safeguarding framework are working towards accreditation. Accreditations must be in place within 12 months and progress will be monitored on a quarterly basis.	△

○ Target achieved △ Target partially achieved or still in progress □ Target rescoped

Performance against strategic objective:

Deliver high quality services

PERFORMANCE HIGHLIGHTS 2019-20

- » Commenced the Review of the Service Delivery Model with a focus on establishing best practice goals and an optimal model of providing treatment, care and support for NIIISQ participants.
- » Established a model for settling and administering lump sum payments to eligible participants choosing to exit the Scheme and manage their own treatment, care and support.
- » Uplifted and articulated standards of provider services and implemented additional safeguarding of service delivery quality through the registration of providers, commencing with attendant care and support.
- » Enhanced communication of guidelines, forms and procedures relating to the Scheme for participants and service providers.
- » Enhanced monitoring of participants' health outcomes through innovations in CONNECT, NIIISQ Agency's internal database for recording and reporting on treatment, care and support for participants.
- » Strategic engagement with peak Indigenous health service providers to improve the awareness of and access to our services for Aboriginal and Torres Strait Islander peoples.
- » Implemented mandatory training for key legislative requirements for Support Planners to ensure sound governance of the Scheme.
- » Commenced plans for the inaugural participant survey to be conducted in 2020-21.

CHALLENGES

- » Throughout COVID-19, face-to-face engagement with participants, providers and stakeholders was restricted. This led to the NIIISQ Agency responding innovatively through fully utilising technology, including virtual meeting spaces. The success of this approach has enabled the NIIISQ Agency to see the benefits of virtual meeting spaces for ongoing engagement, where it meets stakeholder needs. The utilisation of engagement-related technology is expected to increase as the NIIISQ Agency matures and grows.
- » COVID-19 restrictions put at risk continuity of some areas of treatment, care and support for participants, which was overcome through contingency planning with providers and a provider network approach to safeguard the provision of timely and high-quality services for participants.

FUTURE FOCUS 2020-21

- » Deliver reforms to the NIIISQ Agency's service delivery model for the treatment, care and support of participants, leveraging from the outcomes of the Review of the Service Delivery Model.
- » Conduct inaugural participant survey to establish benchmarks on service provision to participants.
- » Continue to safeguard quality service delivery through registration of providers for two additional categories, coordination of treatment, care and support and home modifications.

2019-20 Key initiatives status summary

Key Initiative	Targets	Progress update	Status
Finalise and implement high priority frameworks, policies and procedures to provide effective and efficient internal governance and resource utilisation.	50% of high priority frameworks, policies and procedures implemented by 30 September 2019. 100% implemented by 31 December 2019.	Target elevated to focus on the reform agenda, rather than operational policies and procedures. Priority frameworks developed and/or implemented in the period to facilitate enhanced ways of working and better practice include: <ul style="list-style-type: none"> - Research and Education Framework (100% complete) - Service Delivery Model (50% complete) - Procurement Framework (80% complete) - Employee Capability Framework (75% complete). 	△
Conduct a strategic review to enhance the number of regional, rural and remote providers to provide more locally accessible providers for participants.	20% increase in regional, rural and remote providers.	During the period, a 20% increase in our register of regional, rural or remote area attendant care and support providers means that now 87% of our providers can deliver services to our more remotely located participants.	○
Deliver services that build on a participant's individual strengths and goals to maximise their independence, social and community integration and employment.	Measure of participant progress against World Health Organisation Quality of Life (WHOQoL).	It is anticipated that exploration will commence in 2020-21 to ascertain the most effective health-related quality of life measurement tool.	□
Embed a policy and reporting framework that manages the feedback continuum of compliments, complaints and internal reviews from participants, providers and stakeholders to improve the operations of the Scheme for our participants.	100% of feedback received is acknowledged, registered, responded to and approved improvements to operations are implemented by 30 June 2020.	100% of feedback, compliments and complaints are acknowledged, registered, responded to and have operational improvements implemented where appropriate. They are also reported regularly to the Quality and Innovation Board Committee (QIBC).	○
Continue engaging with peak Indigenous health service providers to improve the awareness of and access to our services for Aboriginal and Torres Strait Islander peoples.	70% positive feedback from Aboriginal and Torres Strait Islander participants and their families/representatives, communities and stakeholders.	This initiative is still in progress, pending the results of the inaugural participant survey. The ongoing strong relationship with the First Peoples Disability Network (FPDN) has continued, with Getting Strong Again (NIISQ's bespoke Indigenous culture training) scheduled for all staff in September 2020. An education and engagement plan, focusing on NIISQ and the NIISQ Agency's role has been prepared for implementation. The strategy identifies additional advocacy groups and partners that can assist NIISQ Agency in engaging and supporting Aboriginal and Torres Strait Islander participants.	△
Deliver efficient and effective services across providers that are holistic and seamless to a participant's needs, and that minimise duplication and administration. Continue to demonstrate our commitment and respect for our participants by providing high levels of face-to-face support.	90% of participants are satisfied with their NIISQ experience measured against our guiding principles.	Data from the feedback, compliments and complaints processes show that 47% of all Agency compliments received in 2019-20 were from participants and/or their families, praising the work of employees and the Scheme. Planning and scoping is well-advanced, and the inaugural participant survey is planned for early-mid 2020-21. To ensure transparency, an external service provider will conduct this survey. The survey results will provide the NIISQ Agency with valuable insights and benchmarking data about participant experience.	△

○ Target achieved △ Target partially achieved or still in progress □ Target rescoped

Performance against strategic objective:

Capable, agile and innovative organisation

PERFORMANCE HIGHLIGHTS 2019-20

- » Initiated the Review of the Service Delivery Model with the support of an external specialist to identify best practice service delivery approach that will embed innovation into the way we work in the future.
- » Launched the Innovation Strategy to reinvigorate commitment to turn ideas into action and foster a culture of continuous improvement.
- » Established a Governance and Risk team to prioritise legal expertise, case assessment, risk management, compliance, governance and procurement functions.
- » Recruited experienced professionals to support excellence in a range of specialist functions including procurement, communication and engagement and legal support.
- » Harnessed the advice of external specialists to uplift the NIISQ Agency's information technology, workplace health and safety, professional de-briefing, right to information management and internal audit.
- » Provided a program of capability development, including cultural awareness training, to build individual and team performance in representing and administering the Scheme.
- » Responded to COVID-19 by establishing a virtual office by fully utilising technology for online meetings, communications and engagement.
- » Prioritised and uplifted the corporate induction program.
- » Initiated a fortnightly NIISQ Leaders forum to build our capability in planning and monitoring organisational and individual performance.
- » Conducted the annual NIISQ employee opinion survey to gain insights on employees' perceptions and experiences for monitoring the corporate culture.

CHALLENGES

- » Maximising the Innovation Strategy's goals and embedding innovation in our continuous improvement processes. Innovation will enable the NIISQ Agency to sustain high-quality service delivery outcomes into the future.

FUTURE FOCUS 2020-21

- » Finalise the Review of the Service Delivery Model and implement outcomes to achieve best practice service delivery approach that will support the NIISQ Agency into the future.
- » Strengthen professional and peer networks, including engagement with disability, allied health and community support sectors to develop stakeholder relationships and keep abreast of evidence-based treatment, care and support options.
- » Support the development of team members' skills through effective capability training programs and forums.
- » Embed the Support Planner Capability Matrix into work practises to inform and build proficiency levels within the Participant Care team.

2019-20 Key initiatives status summary

Key Initiative	Targets	Progress update	Status
Provide a program of capability development, including cultural awareness training, for our team to build on individual and team performance to provide the best Scheme possible.	100% of employees complete our mandatory team capability development program, including cultural awareness training.	A refreshed and enhanced mandatory corporate induction process was rolled out to existing and new staff in October 2019. The induction document is continually updated. Other mandatory team capability training was completed throughout 2019-20 (page 6-7), including <i>Getting Strong Again</i> training.	○
Implement a framework to support the high performance of the NIISQ Agency team to enable them to deliver the highest quality services to participants.	100% of employees are actively participating in the high-performance framework.	100% of team members are actively participating in regular 1-1 meetings with their supervisor. ELT Performance and Development Agreements (PDAs) are in place and being reviewed quarterly. PDAs continue to be rolled out across the NIISQ Agency, with a focus on building capability, innovative thinking and high performance.	△
Continuously improve the CONNECT system to ensure we meet the needs of the NIISQ Agency and use the most relevant and useful technology available.	100% of user acceptance testing completed on time.	100% of user acceptance testing was completed on time. The CONNECT system governance has been enhanced during 2019-20, with new project management and clarification of internal team member roles.	△
Grow internal innovative thinking capacity and improve our knowledge management practices to capture, share and grow our thinking to build our capability and agility to deliver the highest quality services to our participants.	Improvement in staff capability measured via staff evaluation of monthly staff knowledge sharing forums.	Staff capability improved by 16% during 2019-20. Measurement of this target was obtained via Employee Opinion Survey results rather than staff evaluation of monthly knowledge sharing forums.	○
Continue implementation of Queensland Government Enterprise Architecture (QGEA), including compliance with record keeping and information security policies.	<ul style="list-style-type: none"> - Completion of QGEA implementation plan - Implementation of Information Management system - Implementation of Information Security Management System. 	<p>The QGEA implementation plan will be considered during 2020-21.</p> <p>Due to a change in whole-of-government requirements, this implementation has not yet commenced. Work has started on the establishment of the Information Security policy and risk management for cyber security.</p> <p>We recruited for a new Director ICT role in the 2019-20 period, due to commence in the 2020-21 period. The role will provide strong expertise in cyber security.</p>	□
Implement processes to encourage sharing, capturing and actioning innovation and continuous improvement possibilities to advance ourselves, our governance and our operations to provide the best Scheme possible.	Measurement of continuous improvement culture via the annual staff survey.	The NIISQ employee survey results showed that since 2018-19, 15% more employees felt empowered to make suggestions for continuous improvement.	△

○ Target achieved △ Target partially achieved or still in progress □ Target rescoped

Performance against strategic objective:

Financially sustainable scheme

PERFORMANCE HIGHLIGHTS 2019-20

- » Developed budgeting guidelines for the ongoing performance of the NISQ Agency, to ensure we provide financially sustainable lifetime care for participants.
- » Developed and commenced an enhanced service provider procurement framework to ensure providers' appropriateness to deliver high-quality services for:
 - Attendant care and support
 - Home modifications
 - Services for the coordination of treatment, care and support.
- » Identified future issues with the fund levy and funding sources by working closely with actuaries and other Queensland Government stakeholders to ensure we can meet future outstanding Scheme liabilities.
- » Worked closely with Queensland Treasury on new arrangements for whole of government long-term investments.

CHALLENGES

- » COVID-19 pandemic presented market impacts on our investments.
- » Growing experience in predicting numbers of new participants is continuing to guide actuarial predictions of future growth, and projections are increasing in accuracy over time.

FUTURE FOCUS 2020-21

- » Monitor alignment of investment strategy and investment objectives.
- » Manage the Scheme and the NISQ Agency costs prudently.
- » Implement enhanced service provider contract arrangements to ensure best value treatment, care and support options.

2019-20 Key initiatives status summary

Key Initiative	Targets	Progress update	Status
Develop budgeting guidelines for the ongoing performance of the NISQ Agency, to ensure we provide financially sustainable lifetime care for participants.	Guidelines are developed and incorporated into the ongoing budget processes.	Modelling around the impact of the COVID-19 pandemic is underway and progression of modelling of an initial five-year rolling budget/ projection concept is continuing. The NISQ Agency Finance team is working with cost centre managers from different areas to manage future budget impacts.	○
Develop and embed a tiered service provider procurement framework to ensure providers' appropriateness to deliver high-quality services for: - Attendant care and support - Home modifications - Services for the coordination of treatment, care and support.	Transparency in dealing with each provider to develop requirements for approval. 100% of service providers are reviewed for rates to ensure value-for-money.	The attendant care and support registration process required details that provided transparency in the services able to be delivered, their qualifications and the systems in place to provide quality care. The attendant care and support registration process also required suppliers to provide a rate card which can be checked against NDIS and other suppliers to ascertain reasonable charge rates. The home modifications and services for the coordination of treatment, care and support registration processes are still being finalised.	△
Implement robust financial reports and disclosure, increasing automation of manual processes to eliminate errors and create processing efficiencies.	No errors or rework required.	The accounts payable process was enhanced following a review in late 2019, with all recommendations implemented. The components and elements of the model build on previous assessment processes for the timeliness of draft financial statements, the quality of financial reports and statement preparation, and year end processes.	○
Identify future issues with the fund levy and funding sources by working closely with the Scheme actuaries to ensure we can meet future outstanding claim liabilities.	Receive and action high-quality actuarial advice to the satisfaction of the CEO and Board.	The Board will continue to review the financial sustainability of the Scheme as a focus of strategic discussions in 2020-21.	○
Increased detail in budget processes, including quarterly review meetings with all cost centre managers.	100% adoption of traceability and transparency requirements for budget reporting as outlined in the Financial Management Practice Manual.	The 2020-21 Budget was approved by the Board on 18 June 2020. The NISQ Agency Finance team will prepare cost centre budgets for each cost centre manager in early 2020-21, with the first quarterly meeting to be held in October 2020.	△

○ Target achieved △ Target partially achieved or still in progress □ Target rescoped

GOVERNANCE

Our governance framework

We are committed to good governance. Our governance framework supports our strategic direction and provides a strong basis to ensure our statutory responsibilities are met. Risk management is integrated into our organisational activities, and ensures corporate governance is continuously assessed and enhanced.

Role of the Board

The Board is the governing body of the NISQ Agency. Its establishment, functions and membership are set out in the *National Injury Insurance (Queensland) Act 2016* (the Act).

The Board sets the strategic direction of the NISQ Agency and ensures that we perform our functions efficiently and in accordance with the Act.

The Board also sets investment objectives for the NISQ Fund and establishes investment strategies and policies to achieve those objectives. In accordance with the Act, the Board have assigned these functions to the State Investment Advisory Board (SIAB).

The Board comprises seven, independent members, including the Chairperson, whose appointments were made in accordance with the Act. Board members are appointed to the Board for a term not longer than five years, although they may be reappointed.

DISCLOSURE OF INTERESTS

The Board is acutely aware of its members' obligations to avoid conflicts of interest between their duties and their personal interests. At each meeting the Board is required to declare any conflicts of interest.

The Act sets out the obligation of Board members to declare if there is any direct or indirect financial or personal interest in an issue being considered, or about to be considered, by the Board and any interests that could conflict with the proper performance of the Board member's duties when considering an issue. Unless the Board determines otherwise, a conflicted Board member may not be present when the Board considers the issue or take part in any decisions relating to the issue.

PERFORMANCE AND REMUNERATION

Board members' remuneration is determined by the Governor-in-Council (details are disclosed in the financial statements, page 36).

Our Board

Our Board comprises seven independent members who are responsible for overseeing our strategic direction. Appointees have experience spanning Queensland public sector governance, insurance, managing long-term investments and liabilities, rehabilitation medicine, health administration, and actuarial and legal practice.

Ms Julie-Anne Schafer

Chairperson

Ms Julie-Anne Schafer has experience in diverse and highly regulated sectors including financial services, infrastructure, member services, health and transport. She has ASX, unlisted public company, government and advisory experience with associated governance, committee, risk management, strategy, customer facing and stakeholder engagement experience, with some international exposure. Ms Schafer has served as Chair of RACQ Insurance, and on the boards of the Territory Insurance Office (Northern Territory) and Catholic Church Insurance. She holds several current board positions, including as Director of AvSuper, Urban Utilities and CS Energy and is President of the National Competition Council. Ms Schafer is the independent external Chair of the Audit and Risk Committee of the Queensland Department of Transport and Main Roads.

Ms Schafer has experience leading large diversified organisations, including RACQ (1.1 million members), the Queensland Law Society and the Solicitors' Board of Queensland. She was Deputy Chancellor of the Queensland University of Technology (QUT), an Adjunct Professor in law at the University of Queensland and a member of Law Faculty Advisory Committees at Griffith and Bond Universities, QUT and the University of Queensland. Her Committee experience includes audit, risk and compliance, investment, people, remuneration and nomination, governance and organisational performance.

» Appointment term until 30 June 2025.

Mr Michael Willis

Deputy Chairperson

Mr Michael Willis is a Board Chair and company Director, with over 25 years of governance experience in industry, financial services and the non-profit sector. He currently chairs the Queensland Hospital and Health Board Chairs Forum and West Moreton Health. He is also a member of the Queensland Health Leadership Advisory Board.

Mr Willis has also undertaken several financial roles that have involved management of long-term liabilities. He has experience as a corporate governance consultant, advising clients ranging from large ASX-listed companies to small charities.

Mr Willis' prior career includes management and leadership roles, ranging from investment banking to non-profit organisations in the health and education sectors. As a former National President of the Securities Institute of Australia (now FINSIA), he led their involvement in developing the initial ASX Corporate Governance Principle in 2002.

» Appointment term until 30 June 2025.

Ms Lesley Anderson

Member

Ms Lesley Anderson has two decades of experience with motor accident compensation schemes, in both common law and no-fault regimes. Ms Anderson also held the position of Queensland's Motor Accident Insurance Commissioner for 11 years, during which time she had responsibility for the regulation of Queensland's private sector personal injury motor accident insurance scheme.

Ms Anderson has been a former Member of various Boards, including the Third Party Insurance Premiums Committee (South Australia), Territory Insurance Office Superannuation Policy Committee (Northern Territory), Office of State Revenue Audit Committee (Queensland), Queensland Rural Adjustment Authority and a former Director of Far North Queensland Ports Corporation.

Ms Anderson also has experience serving on Audit and Risk Committees. Ms Anderson is a current Member of the Queensland Building and Construction Commission Board.

» Appointment term until 30 June 2025.

Dr Scott Davis

Member

Dr Scott Davis is an experienced Board Director and CEO, having worked in complex cultural and political environments throughout Australia, the Pacific, Asia and North Africa over the last 25 years. He has extensive technical skills and knowledge of public health, higher education and vocational training, capacity building models, regional sustainable development, governance and leadership, within community organisations, non-government organisations, commercial entities, government and civil society.

Dr Davis currently holds the positions of Deputy Chair, Torres and Cape Hospital and Health Service Board – Queensland Health, including the role of Chair of the Quality and Safety Committee, and Non-Executive Director, Enterprise Management Group Pty Ltd. Previous Board memberships include as Non-Executive Director for Regional Development Australia Far North Queensland

and Torres Strait Inc – Torres Straits and Far North Queensland, Non-Executive Director for the Australian Health Promotion Association, as well as several not-for-profit roles within the local Cairns community.

» Appointment term until 30 June 2023.

Ms Michelle Morton

Member

Ms Michelle Morton is experienced in the administration of hospital services, financial management and organisation as well as risk management, regulatory compliance and corporate and public sector governance.

She is an Accredited Specialist in personal injury law and workplace relations law.

Ms Morton is the Managing Partner of a Queensland law firm and holds several Board positions including Deputy Chair of the Townsville Hospital and Health Service, Chair of the Townsville Hospital and Health Service Finance Committee, Member of the Townsville Hospital and Health Services Executive Committee and Audit and Risk Committee and Chair of the Townsville Fire.

Ms Morton is also Chair of the Queensland Hospital and Health Board Finance and Audit Committee.

» Appointment term until 30 June 2023.

Mr Rowan Ward

Member

Mr Rowan Ward has significant knowledge and experience in compulsory third party schemes in Queensland and New South Wales, as well as workers compensation businesses.

His actuarial roles have necessitated involvement in liability assessment, risk-based pricing, risk management, profitability analysis, capital management, reinsurance assessment and investment of assets backing liabilities.

Mr Ward also holds actuarial qualifications and 20 years of experience as an Approved Actuary reporting to Boards.

Mr Ward is Chairman and Non-Executive Director of LFI Pty Ltd, and a Non-Executive Director of Integrity Life Australia Limited and QInsure Limited, which are all APRA regulated companies in the financial services sector.

He has also been a Member of the Motor Accident Insurance Commission of Queensland Advisory Committee.

» Appointment term until 30 June 2025.

Dr Susan Young

Member

Dr Susan Young is a registered nurse and midwife who has extensive experience in the private and public health care sectors, the tertiary and vocational education sectors and within professional regulatory bodies. Dr Young is former Chair and Member of the Queensland Board of the Medical Board of Australia, and a former Member of various Boards including the University of Queensland Faculty Board for Medicine and Biomedical Sciences, and the Children's Health Queensland Hospital and Health Service Board. She is currently a member of the Agency Management Committee (the Board) of the Australian Health Practitioner Regulation Agency (AHPRA), as well

as a member of several committees relevant to regulatory performance, education and accreditation, including the Health Profession Agreement Working Party.

Dr Young has held executive appointments within the public and private health care sectors in metropolitan, regional and rural settings. Her committee experience includes professional and regulatory performance and compliance; quality, safety, and risk management; professional and educational accreditation; and governance and organisational performance.

» Appointment term until 30 June 2023.

MEETING ATTENDANCE 2019-20

Board member	Board	Audit and Risk Committee	Quality and Innovation Board Committee
Chairperson held			
Julie-Anne Schafer #	9	4	3
Michael Willis	9	4	-
Lesley Anderson	9	4	-
Scott Davis	8	-	3
Michelle Morton	8	-	4
Rowan Ward	9	4	-
Susan Young	7	-	3
Geoff Waite ^	-	4	-

* The Board held nine ordinary meetings and no special meetings in 2019-20.

^ Independent Member of the Audit and Risk Committee.

The Chairperson of the Board may attend the QIBC and ARC meetings as an invitee.

Our Board Committees

The Board has established two committees, each with its own charter, to assist the Board in overseeing and governing our activities. A summary of committee membership and meeting attendance is set out in the table on page 22.

AUDIT AND RISK COMMITTEE

Per the Audit and Risk Committee's (ARC) Charter, the ARC provides recommendations and assistance to the Board on:

- » the effective and reliable operation of all financial and non-financial internal controls and oversight of the framework for risk management of the NISQ Agency.
- » the Board's interaction with the NISQ Agency's external auditor.
- » the NISQ Agency's reporting functions to ensure the integrity of financial reports.
- » the effectiveness of the NISQ Agency's performance management and performance information.

The ARC also provides oversight of the NISQ Agency's internal audit function.

The ARC must have at least four, but not more than six members, one of whom must be independent of the Board. The independent member is appointed by the Board after consultation with the Under Treasurer. The ARC must meet at least four times per year. The ARC met four times in 2019-20.

During the year, the ARC undertook a thorough review of the NISQ Agency's risk management function, endorsing the establishment of the General Counsel as the NISQ Agency's Risk Officer and an updated strategic risk register. Specialist external advice is still sought when required. This risk management approach has allowed the Executive Leadership Team to apply its experience to identify relevant real-world risks, and ensure practical and achievable mitigation plans.

The ARC has also focussed on clarifying the long-term investment objectives for the fund and engaging with the State Investment Advisory Board to develop a structure for ongoing management and development of the fund's investments. It has also overseen the ongoing development of 5-year rolling forward budget estimates to assist in long-term resource planning.

The Audit and Risk Committee has observed the terms of its charter and has due regard for Queensland Treasury's *Audit Committee Guidelines – Improving Accountability and Performance* issued in 2012.

QUALITY AND INNOVATION BOARD COMMITTEE

The Quality and Innovation Board Committee (QIBC) oversees the development and implementation of an effective governance framework. The QIBC ensures we are legislatively and regulatory compliant, and performs its functions efficiently across the areas of Services, Research and Innovation.

The responsibilities of the QIBC include:

- » development and ongoing review of an effective services governance framework, Research and Education Strategy and Innovation Strategy.
- » monitoring and collecting statistics on research and educational activities and program funding.
- » reporting to the Board and providing guidance in relation to activities within the Committee's scope of responsibility.

The QIBC is required to meet at least four times per year, and have at least three, but not more than five members appointed by the Board. All members must be Board members. The QIBC met four times in 2019-20.

An important 2019-20 milestone was the QIBC's endorsement of the Research and Education Strategy for Board approval. The Framework aligns with the NISQ Agency's key strategic objectives and outlines guiding principles for the Research and Education initiative which will identify, evaluate and support research and educational opportunities that translate to benefits for participants. In line with the Framework and an established criteria, the QIBC endorsed its first Research Concept under the Research and Education initiative to progress to funding application. The research team is now preparing the application which will be considered by the QIBC in 2020-21. Pending QIBC approval, a funding agreement will be made to enable the research and education project to advance with NISQ support.

The NISQ Agency presents a Research and Innovation Insights publication at each QIBC meeting. This publication is an effective tool to keep the QIBC up-to-date with new technology and other innovations that could have a future benefit to NISQ participant outcomes.

A new Innovation Strategy was also endorsed by the QIBC. This strategy will support innovative thinking across the NISQ Agency.

During the year, the QIBC has approved commencement of a review of the Scheme's Service Delivery Model, which evaluated the existing support coordination service delivery model with reference to future participant needs and experience, the growing number and nature of participants in the Scheme and the sustainability of the service model for NISQ.

Undertaking this review will ensure:

- » best-practice service delivery within the NISQ context.
- » methodology to assist the NISQ Agency to determine continuous improvement activities which align to the best practice service delivery model.
- » a structured and realistic implementation plan to enable the realisation of any new ways-of-working, including outcomes measures to assist with determining success of the proposed service delivery model.

Human rights

Queensland's *Human Rights Act 2019* (HR Act), which commenced on 1 January 2020, respects, protects and promotes the inherent dignity and worth of all human beings, especially the most vulnerable in our community.

The HR Act requires us to consider human rights in our decision-making, actions and interactions with the community. We are proud that we intrinsically operate in this way to deliver lifetime treatment, care and support to people living with disabilities.

While our core values are strongly aligned with the HR Act, we have taken the following steps to demonstrate our commitment to human rights and deeply embed the principles of the HR Act:

- » We embedded the HR Act in to our *2020-2024 Strategic Plan*. This includes strategies to ensure transparent decision-making processes are matched to participant individual circumstances and a clear mandate that we will respect, protect and promote human rights in our decision-making and actions.
- » The HR Act is incorporated within our Operational Plan for 2020-21. We will continue to review policies, programs, procedures, practices and service delivery to ensure that decisions and actions support participant health and safety, and are compatible with human rights.
- » We conducted internal awareness raising about the HR Act to NISQ Agency employees.
- » All NISQ Agency employees were required to complete the Human Rights – Introduction online training from the Queensland Human Rights Commission. This is also part of induction training for new employees.
- » We have provided information on our website about how human rights complaints may be raised and how these complaints will be managed by NISQ Agency. We have also outlined the avenue for having NISQ Agency's responses to complaints reviewed by the Queensland Human Rights Commission.
- » Our Executive Leadership Team are human rights champions, with members of the team responsible for implementing the HR Act throughout their divisions and taking ownership of any human rights complaints that may be received by the NISQ Agency.

- » We have incorporated our commitment to human rights in our role descriptions.

During the period, we did not receive any complaints relating to human rights.

Funding NISQ

We work with state government and independent actuaries to help ensure the financial sustainability of the NISQ Fund to meet the cost of necessary and reasonable participant treatment, care and support now and throughout their lifetimes, and NISQ Agency operational expenses.

Established under the Act, the NISQ Fund includes amounts received through the collection of a levy on motor vehicles registered in Queensland, amounts recovered in connection with the Scheme, and income derived from investments.

The levy varies for each vehicle class. Under the Act, the NISQ Board is required to provide an annual recommendation to the Insurance Commissioner about the amount that is to be recovered from motorists to fully cover the future liability of the Scheme. Following this recommendation, the Insurance Commissioner, in accordance with the *Motor Accident Insurance Act 1994*, recommends to the Queensland Government the value of the levy for each vehicle class, for the following financial year. The levy recommendation from the Board is informed by independent actuarial advice and assessed over time to ensure financial sustainability.

Risk management

As part of our ongoing management and reporting processes, ELT identifies, monitors and mitigates risks that may affect our ability to achieve our strategic objectives. Risks and corresponding mitigation plans are recorded in the NISQ Agency's risk register. Risk mitigation plans are implemented continually, and the risk register is reviewed quarterly by ELT. An updated risk register is provided to the ARC at each meeting. The Board identifies any emerging risks as part of its standing agenda, as well as conducting regular reviews of key strategic risks.

As an integral component of risk assessment, we are committed to business continuity management. This ensures continuity of key business services which are essential for or contribute to the achievement of our objectives.

COMPULSORY THIRD PARTY CIVIL DAMAGES

A fundamental feature of NISQ is that most lifetime participants with a CTP civil claim have the option to access their lifetime treatment, care and support needs as lump sum damages via their CTP claim and exit the

Scheme. Alternatively, these participants may elect to continue to receive their lifetime treatment, care and support damages from the NIIAQ Agency.

When the NIIAQ Agency engages with the CTP civil process, we do so in a fair and objective manner in accordance with our role to administer the NIIAQ. Where it is necessary to become involved in litigation, the NIIAQ Agency acts as a “model litigant”. Whether a participant’s treatment, care and support needs are provided within the Scheme or delivered as a civil lump sum, the NIIAQ Agency remains focussed on assessing and meeting the participant’s needs, within the scope of the Scheme.

PARTICIPANT SAFEGUARDING

The NIIAQ Agency is responsible for ensuring that service providers who deliver treatment, care and support to participants are appropriate to do so.

The matters that we consider include:

- » whether the provider and their staff are appropriately qualified.
- » whether the provider is appropriate having regard to the participant’s location, age, culture and ethnicity.
- » whether the provider is acceptable to the participant.
- » whether the provider has or may have a conflict of interest.

Providers of certain kinds of service to NIIAQ participants are required to be registered. In order to be registered with NIIAQ, providers are required to meet high standards in term of participant safeguarding.

Internal and external accountability

The NIIAQ Agency’s governance framework includes both internal and external accountability measures.

Through the ARC, the Board engaged PricewaterhouseCoopers (PwC) to provide independent and objective internal audit services to the NIIAQ Agency. The internal audit function operates under a charter consistent with relevant audit and ethical standards and has due regard to Queensland Treasury’s *Audit Committee Guidelines – Improving Accountability and Performance*.

In the 2019-20 period, the NIIAQ Agency’s Internal Audit Plan consisted of the following reviews:

- » Procurement
- » CONNECT project assurance.

Internal and external accountability: The NIIAQ Agency is audited externally by the Queensland Audit Office

(QAO) in accordance with the *Financial Accountability Act 2009* on the financial statements for year-end purposes. The NIIAQ Agency has had no unqualified audits since its inception.

Information systems and recordkeeping

Since the commencement of NIIAQ, we have advocated the benefits of electronic record keeping and worked towards achieving a ‘paperless office’.

In 2019-20, we continued to improve CONNECT, our electronic support system. An external records management supplier provides storage, retrieval and destruction of records services to the NIIAQ Agency.

The NIIAQ Agency’s recordkeeping framework is structured around the principles of the Queensland Treasury Information Management Framework. The framework aligns our record management practices with Government objectives, current legislation and best practice record keeping standards. These include the *Public Records Act 2002*, *Information Privacy Act 2009* and the *Right to Information Act 2009*, *Information Standard 18 : Information Security*, *Information Standard 31 : Retention and Disposal of Government Information*, *Information Standard 34 : Metadata*, *Information Standard 38: Use of ICT Facilities and Devices* and *Information Standard 40: Recordkeeping*.

The NIIAQ Agency has also adopted the Queensland Government Chief Information Office’s *Authorised and unauthorised use of ICT services, facilities and devices guideline* and *Personal use of social media guideline*.

During 2019-20, we engaged an external supplier to prepare the NIIAQ Agency for a transition to an independent information and communication technology (ICT) system. The transition will be undertaken in 2020, with a dedicated project to develop an independent recordkeeping framework to follow.

TRANSPARENCY

The NIIAQ Agency continues to be committed to giving the community open and transparent access to information, including under our statutory obligations under the *Right to Information Act 2009* (RTI Act) and the *Information Privacy Act 2009* (IP Act). Our website contains various publications and pages detailing our services and business operations.

Applications for documents not containing an applicant’s personal information are processed under the RTI Act, and requests for documents containing an applicant’s personal information are processed under the IP Act.

Details on how to make a formal application requesting access to documents under the RTI Act or the IP Act are available on our website: niis.qld.gov.au.

The NISQ Agency publishes details of the applications that the NISQ Agency receives under the RTI Act on our disclosure log. Where possible, released documents are also published.

The NISQ Agency engages an external consultant to deliver right to information and privacy training. During the 2019-20 period, all employees were required to complete this training.

Other disclosures

The NISQ Agency supports the Queensland Government Open Data Initiative. Open Data sets, including Scheme statistics and required disclosures for travel and consultancies, are available at the Queensland Government's Open Data website: data.qld.gov.au.



Scheme Statistics

FOR THE YEAR ENDED 30 JUNE 2020

NIISQ statistics

PARTICIPANTS BY STATUS AND INJURY

(Current participants as at 30 June 2020)

Injury	Interim		Lifetime		Total	
	Number	%	Number	%	Number	%
Traumatic brain injury	133	82%	73	71%	206	77%
Permanent spinal cord injury	25	15%	25	24%	50	19%
Multiple or high-level limb amputation	4	2%	3	3%	7	3%
Permanent injury to the brachial plexus	1	1%	2	2%	3	1%
Severe burns	0	0%	0	0%	0	0%
Permanent blindness caused by trauma	0	0%	0	0%	0	0%
Total	163	100%	103	100%	266	100%

Note: Eligible injury type. Participants may sustain multiple injury types. Rounded percentages.

Trend Data

Injury	2017		2018		2019		2020	
	Number	%	Number	%	Number	%	Number	%
Traumatic brain injury	46	73%	102	73%	146	78%	206	77%
Permanent spinal cord injury	15	24%	31	22%	34	18%	50	19%
Multiple or high-level limb amputation	1	2%	3	2%	4	2%	7	3%
Permanent injury to the brachial plexus	1	2%	3	2%	2	1%	3	1%
Severe burns	0	0%	0	0%	0	0%	0	0%
Permanent blindness caused by trauma	0	0%	0	0%	0	0%	0	0%
Total	63	100%	139	100%	186	100%	266	100%

Note: Eligible injury type. Participants may sustain multiple injury types. Rounded percentages.

PARTICIPANTS BY GENDER AND AGE RANGE

(Current participants as at 30 June 2020)

Age grouping	Female		Male		Total	
	Number	%	Number	%	Number	%
Age Range 1-15 years	9	13%	20	10%	29	11%
Age Range 16-30 years	26	36%	76	39%	102	38%
Age Range 31-45 years	13	18%	37	19%	50	19%
Age Range 46-60 years	12	17%	42	22%	54	20%
Age Range 61-75 years	5	7%	17	9%	22	8%
Age Range 75+ years	7	10%	2	1%	9	3%
Total	72	100%	194	100%	266	100%

Note: Rounded percentages.

Trend Data

Age grouping	2017		2018		2019		2020	
	Number	%	Number	%	Number	%	Number	%
Age Range 1-15 years	4	6%	11	8%	21	11%	29	11%
Age Range 16-30 years	25	40%	55	40%	69	37%	102	38%
Age Range 31-45 years	12	19%	26	19%	39	21%	50	19%
Age Range 46-60 years	14	22%	29	21%	35	19%	54	20%
Age Range 61-75 years	6	10%	15	11%	17	9%	22	8%
Age Range 75+ years	2	3%	3	2%	5	3%	9	3%
Total	63	100%	139	100%	186	100%	266	100%

Note: Rounded percentages.

PARTICIPANT ROLE IN ACCIDENT

(As at 30 June 2020)

Injured role in incident	All accepted participants	
	Number	%
Driver	115	37%
Motorcycle rider	68	22%
Pedestrian	53	17%
Passenger	52	17%
Cyclist	11	4%
Other	9	3%
Total	308	100%

Note: Rounded percentages.

PARTICIPANTS BY REGION

(As at 30 June 2020)

Region	All accepted participants	
	Number	%
Brisbane	124	40%
Gold Coast	39	13%
Sunshine Coast	30	10%
Central Queensland	28	9%
Western Queensland	37	12%
North Queensland	34	11%
Interstate	14	5%
Overseas	2	1%
Total	308	100%

Note: Rounded percentages

ACCIDENTS BY REGION

(As at 30 June 2020)

Region	All accepted participants	
	Number	%
Brisbane	124	40%
Gold Coast	35	11%
Sunshine Coast	35	11%
Central Queensland	36	12%
Western Queensland	42	14%
North Queensland	36	12%
Total	308	100%

Note: Rounded percentages.

SERVICES PAID

(As at 30 June 2020)

Service	Payments made between 1 July 2019 to 30 June 2020	
	Total (\$)	%
TREATMENT AND REHABILITATION		
Accommodation and Travel	251,920	1.7%
Assessment and Review	656,652	4.3%
Vocational and Educational Support	86,172	0.6%
Participant Related Services	138,979	0.9%
Treatment and Rehabilitation	1,523,994	10.1%
ATTENDANT CARE		
Attendant Care and Support	9,186,981	60.8%
Other Care		0.0%
MODIFICATIONS		
Modifications	1,068,033	7.1%
EQUIPMENT		
Equipment	1,758,237	11.6%
HOSPITAL / MEDICAL SERVICES		
Hospital Services	99,159	0.7%
Medical Services	347,046	2.3%
Total	15,117,173	100.0%

Note: Payments exclude GST.

A decorative geometric pattern in the top-left corner consisting of a series of overlapping triangles forming a larger triangular shape, rendered in thin grey lines.

Financial

Summary of financial performance

NIISQ was established on 1 July 2016 to provide lifetime treatment, care and support to eligible participants seriously injured in motor accidents.

As a lifetime Scheme, the outstanding treatment, care and support liability dominates the NIISQ Agency's provisions in the Statement of Financial Position and the movement in the liability can dominate expenses in the Statement of Comprehensive Income. This outstanding liability is calculated using actuarial advice.

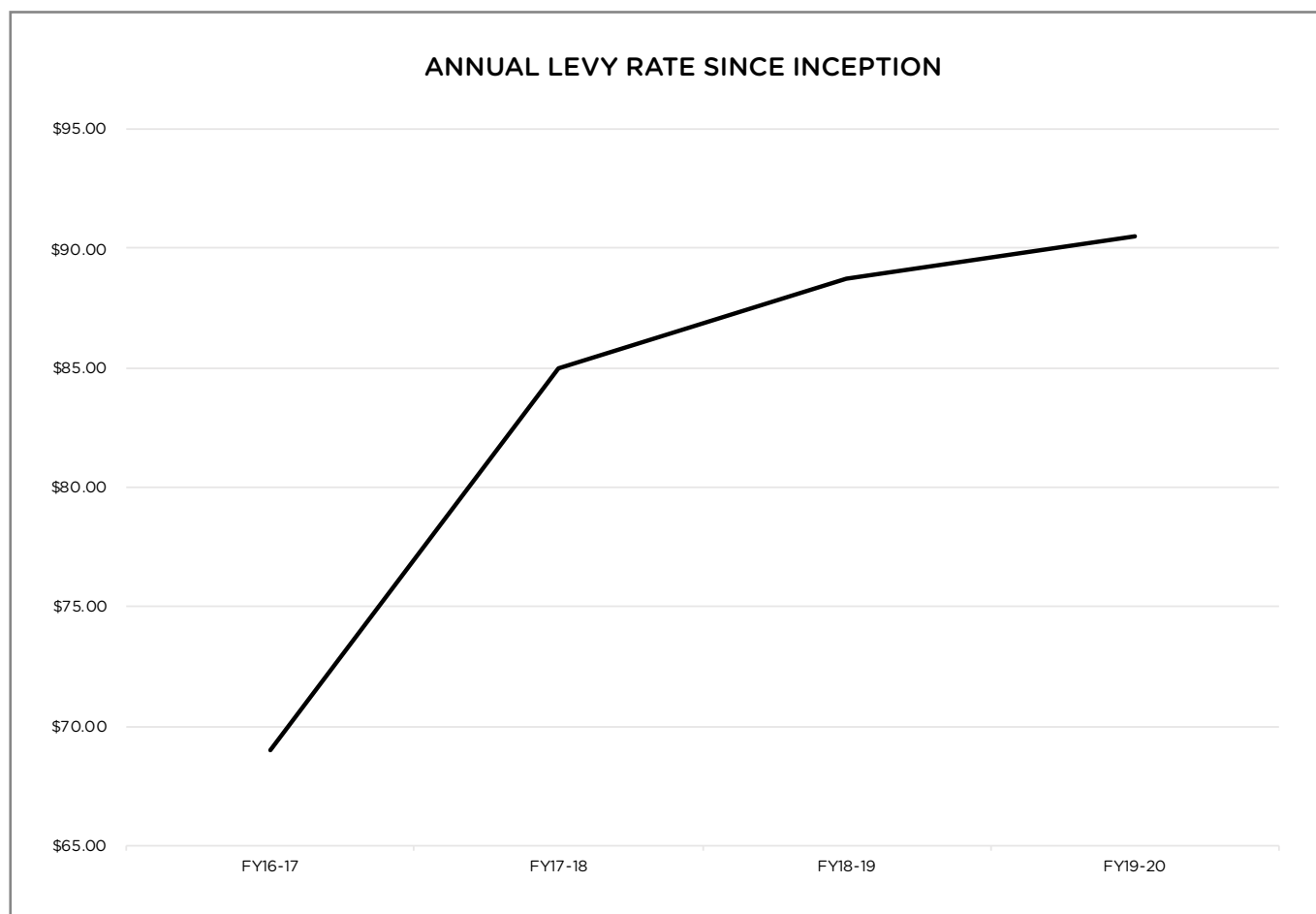
Treatment, care and support relates to the necessary and reasonable benefits provided to participants in line with the NIISQ Act, from date of acceptance into the NIISQ. The lifetime cost of treatment, care and support is recognised in the financial year in which the injury occurs.

The main funding source for the Scheme at this stage is a levy paid by motorists in conjunction with their vehicle registration and compulsory third-party obligations.

As investments grow, the relativity between levy and investment income will change, with investment income eventually becoming the main feature of fund income.

The NIISQ Board recommends to the state's Insurance Commissioner an overall levy pool amount that would be required to meet present and future liabilities as well as any other payments that may be required to be made from the NIISQ fund. The Board determines this amount objectively in conjunction with the expert advice of an independent actuary. This advice on the size of the levy pool is then used by the Insurance Commissioner to determine recommendations to the Treasurer on the rate of levy to be struck for various motor vehicle classes for the following financial year.

Upon approval by the Treasurer the amount is fixed by regulation. The rate of the levy remains unchanged for 2020-21 from the rate determined for the 2019-20 financial year.



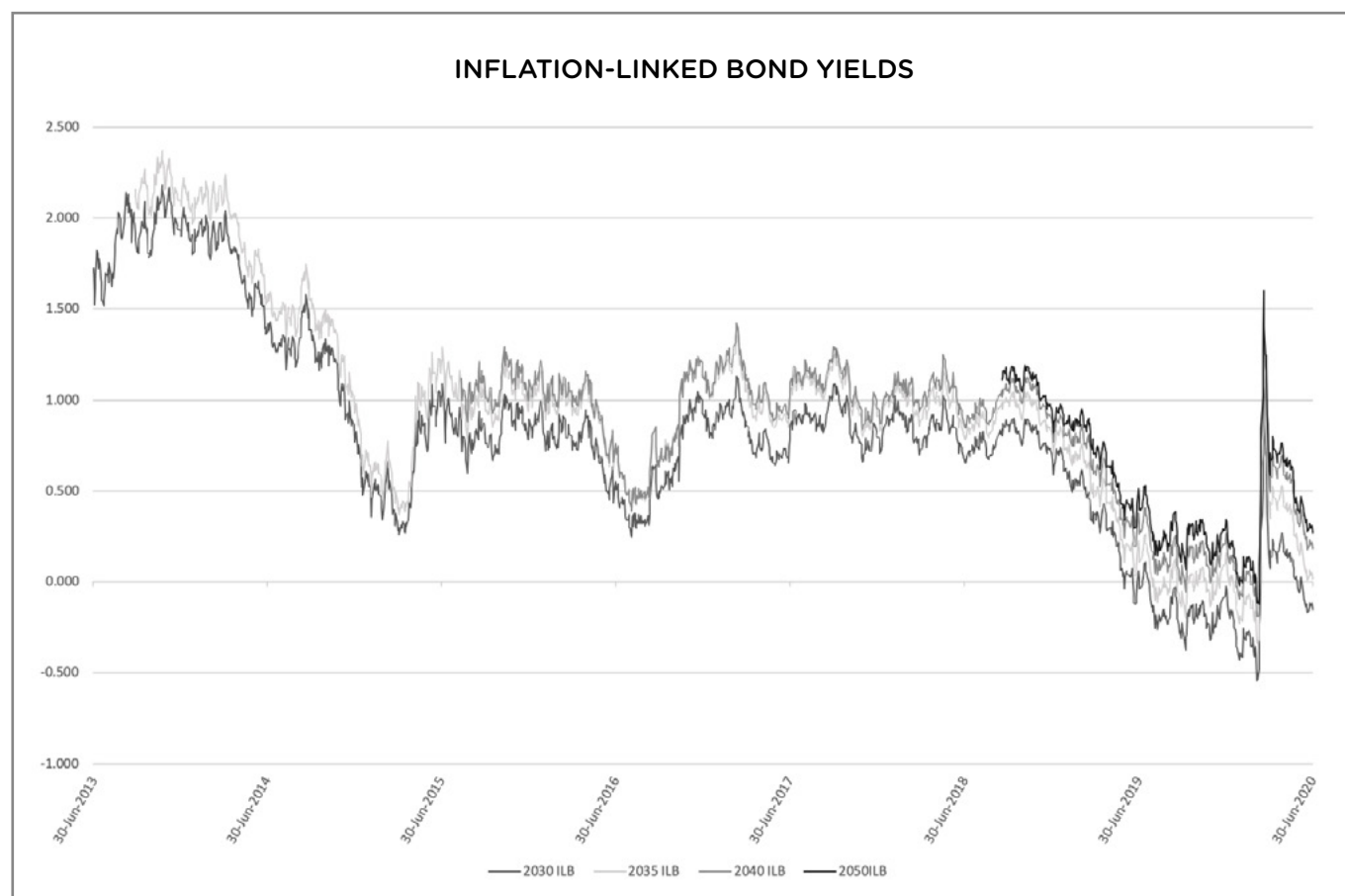
Given the long-term nature of Scheme liabilities, estimates of costs are very sensitive to underlying inflation and interest rate assumptions. The lower the “gap” between interest rates and inflation, the higher the present value of future benefits.

Despite historically low interest rates, the levy has been set based on longer-term assumptions to support year-to-year levy stability. In contrast, the estimate of Scheme liabilities adopts inflation and discount rates consistent with observable Commonwealth bond yields at 30 June 2020.

As a result, given interest rates are at historically low levels (see chart of inflation-linked bond yields over time below),

annual levy revenue is significantly less than the present value of liabilities accrued in a year. For example, in 2019-20 levy revenue was \$421 million while liabilities of \$865 million were incurred for 2019-20 injuries. This difference was the primary driver of 2019-20’s loss (\$385.8 million).

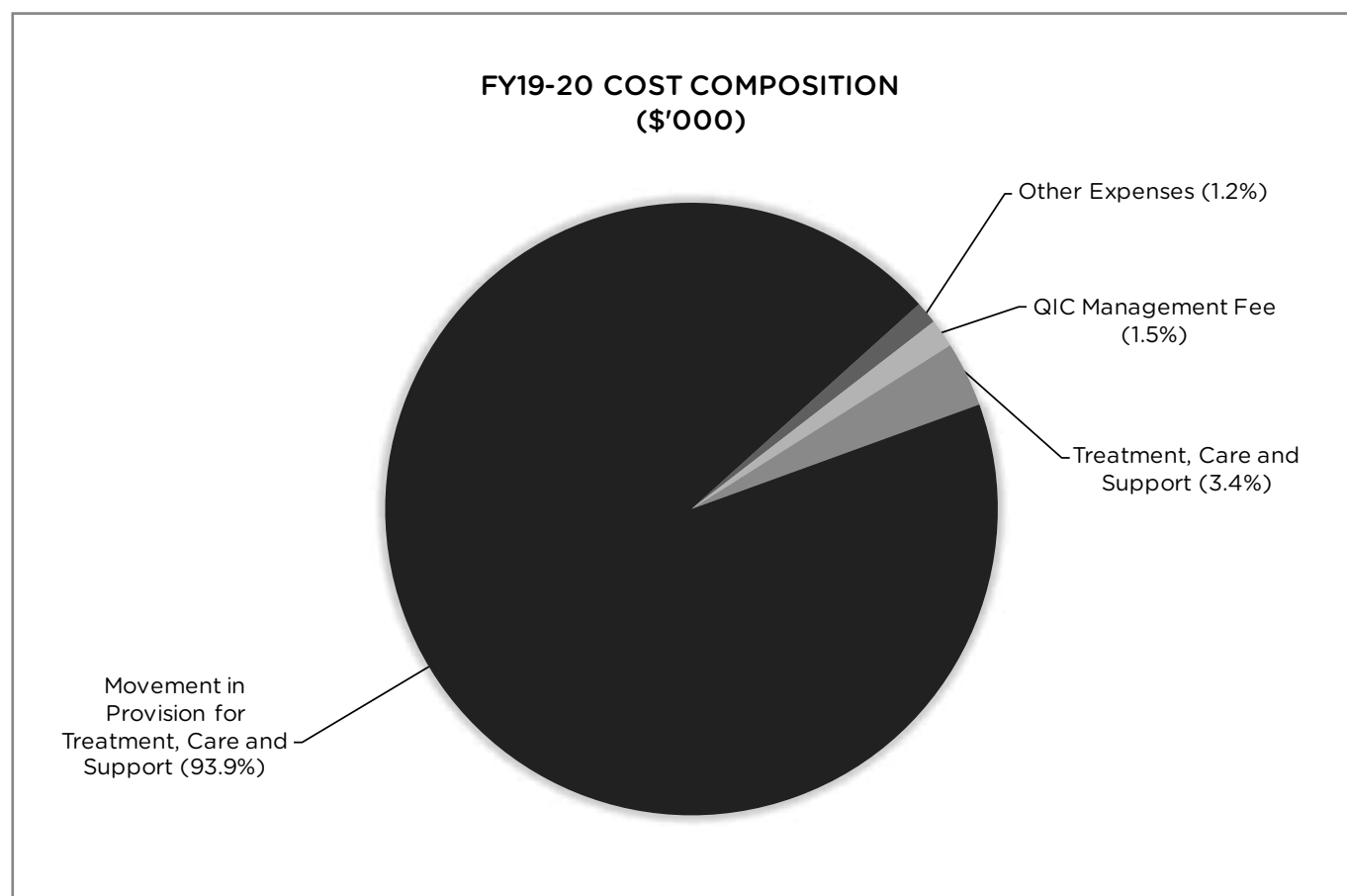
The difference between the longer-term financial assumptions underpinning levies and the historically low market-consistent assumptions adopted for balance sheet reporting is the primary reason for the Scheme’s funding position at year end, with lower investment returns owing to the impacts of COVID-19 also contributing in 2019-20.



Expenses of the Scheme are predominated by the movement in the provision for treatment, care and support. In 2019-20 these accounted for over 93% of the total expenses of the Scheme with actual expenses

associated with the provision of support for the period amounting to 3.4% of total expenses in the same period.

Presently, the NIISQ Agency's operating costs represent 1.2% of total expenses.





NATIONAL INJURY INSURANCE AGENCY, QUEENSLAND

Financial statements

FOR THE YEAR ENDED 30 JUNE 2020

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The National Injury Insurance Agency, Queensland

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Income			
Levy	3	421,273	403,484
Interest	4	78	134
Grants and Contributions		90	-
Other Revenue		397	207
Total Revenue		421,838	403,825
Net fair value gains/(losses) on other financial assets	4	15,732	117,519
Total Income		437,570	521,344
Expenses			
Employee Expenses	5	6,098	3,389
Supplies and services	6	15,609	6,711
Treatment, Care and Support	7	801,250	801,907
Grant Expenses		19	-
Depreciation and Amortisation		30	-
Other expenses	8	373	350
Total Expenses		823,378	812,357
Other Comprehensive Income		-	-
Total Other Comprehensive Income/(Loss)		(385,808)	(291,013)

The accompanying notes form part of these statements.

The National Injury Insurance Agency, Queensland

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Current Assets			
Cash and cash equivalents		14,268	3,170
Receivables	9	5,702	11,289
Prepayments Other		69	-
Other financial assets - current	15 & 16	885,087	724,876
Total Current Assets		905,126	739,335
Non-Current Assets			
Property, plant and equipment	10	51	-
Intangible assets	11	2,929	754
Other financial assets - non current	15 & 16	1,302,589	1,081,767
Total Non-Current Assets		1,305,569	1,082,521
Total Assets		2,210,695	1,821,856
Current Liabilities			
Payables	12	1,919	783
Accrued employee benefits	13	776	389
Provisions	14	49,631	30,774
Total Current Liabilities		52,326	31,946
Non-Current Liabilities			
Accrued employee benefits	13	454	296
Provisions	14	2,388,320	1,634,213
Total Non-Current Liabilities		2,388,774	1,634,509
Total Liabilities		2,441,101	1,666,454
Net Assets / (Liabilities)		(230,406)	155,402
Equity			
Accumulated gains/(losses)		(830,406)	(444,598)
Contributed equity		600,000	600,000
Total Equity		(230,406)	155,402

The accompanying notes form part of these statements.

The National Injury Insurance Agency, Queensland

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2020

	Notes	Accumulated Surplus \$'000	Contributed Equity \$'000	TOTAL \$'000
Balance as at 1 July 2018		(153,585)	600,000	446,415
Other Comprehensive Income/(loss)		(291,013)	-	(291,013)
<hr/>				
Balance as at 30 June 2019		(444,598)	600,000	155,402
<hr/>				
Balance as at 1 July 2019		(444,598)	600,000	155,402
Other Comprehensive Income/(loss)		(385,808)	-	(385,808)
<hr/>				
Balance as at 30 June 2020		(830,406)	600,000	(230,406)
<hr/>				

The accompanying notes form part of these statements.

The National Injury Insurance Agency, Queensland

STATEMENT OF CASH FLOWS for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Levy		427,069	403,453
Interest		83	147
Other Revenue		397	207
Grants and other contributions		90	-
GST input tax credits from ATO		1,577	858
GST collected from customers		134	172
<i>Outflows:</i>			
Employee expenses		(5,553)	(2,939)
Supplies and services		(2,193)	(2,610)
Treatment, Care and Support		(28,285)	(22,366)
GST paid to suppliers		(1,806)	(986)
GST remitted to ATO		(119)	(138)
Grants and subsidies		(19)	-
Other Expenses		(373)	(350)
Net cash provided by operating activities	CF-1	391,003	375,448
Cash flows from investing activities			
<i>Outflow:</i>			
Payments for other financial assets		(365,300)	(371,205)
Payments for QIC management fee		(12,349)	(3,818)
Payments for intangible assets		(2,202)	(754)
Payments for property, plant and equipment		(54)	-
Net cash used in investing activities		(379,905)	(375,777)
Net increase/(decrease) in cash and cash equivalents		11,098	(329)
Cash and Cash Equivalents - opening balance		3,170	3,499
Cash and Cash Equivalents - closing balance		14,268	3,170

Cash and cash equivalents include all cash receipted but not banked at 30 June as well as deposits at call with financial institutions.

The accompanying notes form part of these statements.

The National Injury Insurance Agency, Queensland

STATEMENT OF CASH FLOWS for the year ended 30 June 2020

NOTE TO THE STATEMENT OF CASH FLOW

CF-1 Reconciliation of Operating Result to Net Cash provided by Operating Activities

	2020	2019
	\$'000	\$'000
Operating Surplus/(deficit)	(385,808)	(291,013)
<i>Non-Cash items included in operating result</i>		
Net fair (gains)/losses on other financial assets	(15,732)	(117,519)
QIC Management Fee	12,349	3,818
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	5,801	(18)
(Increase)/decrease in GST input tax credits receivable	(214)	(94)
Increase/(decrease) in provisions	772,965	779,541
Increase/(decrease) in accounts payable	1,136	283
Increase/(decrease) in accrued employee benefits	545	450
Net cash provided by operating activities	391,003	375,448

Cash flows are included in the Statement of Cash Flows on a net basis with the GST components of the cash flows shown as separate line items. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

1. Basis of Financial Statement Preparation

(a) General Information

The National Injury Insurance Agency, Queensland (NIISQ Agency) is a statutory body established under the National Injury Insurance Scheme (Queensland) Act 2016 (the Act). The Act commenced on 1 July 2016 establishing the National Injury Insurance Scheme Queensland (NIISQ) and the National Injury Insurance Scheme Fund, Queensland (the fund).

The head office and principal place of business for the NIISQ Agency is:

60 Albert Street, Brisbane Qld 4000.

A description of the nature of the NIISQ Agency's operation and its principal activities are included in the notes to the financial statements.

(b) Compliance with Prescribed Requirements

NIISQ Agency is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the statement of cash flows, which is prepared on a cash basis) in accordance with:

- section 39 of the Financial and Performance Management Standard 2019
- applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 24.

(c) Presentation

Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2018-19 financial statements except where restatement was necessary to be consistent with disclosures in the current reporting period. There have been no material restatements made to the comparative amounts.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are expected to be settled within 12 months after the reporting date. All other assets and liabilities are classified as 'non-current'.

Other financial assets comprising of investments managed by Queensland Investment Corporation (QIC) are classified as 'current' or 'non-current' based on the relative liquidity of the investments.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

1. Basis of Financial Statement Preparation (cont)

Investments are classified as 'current' where they are readily convertible to cash on hand at NIIAQ Agency's election. Investments that are long-term and not readily convertible to cash within a short period are classified as 'non-current'.

(d) Basis of Measurement

Historical cost is used as the measurement basis in this financial statement except for the following:

- Other financial assets which are shown at fair value (Note 15); and
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value (Note 14).

(e) Implementation of the Shared Service Initiative

The Corporate Administration Agency (CAA) provides the NIIAQ Agency with corporate services under the "Shared Services Provider" model. The fees and terms of the services are agreed through a Service Level Agreement, negotiated annually and include:

- Financial Services
- Information Systems and Support
- Human Resource Services

(f) Judgement and Assumptions

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis.

NIIAQ Agency places a high reliance on actuarial estimates provided by independent actuaries in calculating the provision for participants' treatment, care and support as at 30 June. Refer to Note 14.

NIIAQ Agency also rely on actuarial estimates provided by Queensland Government State Actuary's Office, in calculating the Long Service Leave Liability as at 30 June. Refer to Note 13.

A high degree of judgement is involved in the fair value measurement of other financial assets. Refer to Note 15.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

1. Basis of Financial Statement Preparation (cont)

(g) Going Concern

At 30 June 2020, the NIISQ Agency (a Statutory Body of the Queensland Government) has a negative net asset of \$230.4M (2019: Positive net asset of \$155.4M) and incurred net operating losses of \$385.8M in 2020 (2019: \$291.0M).

The Board has considered the following points:

- For the year ended 30 June 2020, the NIISQ Agency has generated cash of \$391M from the levy. The Agency has also projected a net cash inflow from operations in 2020-21 of \$423M with positive cash flows in further out years due to the nature of the funding mechanism.
- The NIISQ Agency's cash position at 30 June 2020 is \$899M with current liabilities of \$52M and a current ratio of 17:1. It is considered that this allows sufficient liquidity to continue to meet obligations as they fall due;
- The Treasurer has approved \$50M to be transferred from the Nominal Defendant Fund to the NIISQ Fund in the 2020-21 financial year;
- The NIISQ Agency has engaged the Long Term Asset Advisory Board (now the State Investment Advisory Board) to develop long-term investment strategies for investments managed by the Queensland Investment Corporation that match the maturity profile of the provision for treatment, care and support. While the current economic downturn has significantly impacted investment returns in 2019-20, total assets are still significantly greater than current liabilities and it is not anticipated that this will impact the fund in the long term; and
- The Agency's net operating loss and negative asset position is largely due to the difference between the long-term levy assumptions adopted and the accounting assumptions adopted for inflation and discount rates. These are discussed in more detail in Note 3.

The Board has therefore formed the view that the entity remains a going concern and the financial statements have been prepared on this basis.

(h) Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the CEO and Chair of the Board at the date of signing the Management Certificate.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

2. Objectives and Principal Activities of the NIISQ Agency

The NIISQ Agency administers the NIISQ by facilitating the assessment and access to necessary and reasonable treatment, care and support for participants for their lifetime.

Established under the Act, NIISQ Agency commenced operations on 1 July 2016 as a statutory body reporting to a Board. The NIISQ Agency is responsible for the administration of the NIISQ which includes developing and implementing processes, policies and guidelines. It assesses the eligibility of participants to enter the NIISQ, determines their interim and lifetime status in the NIISQ, coordinates and approves the payment of reasonable and necessary care and support services, and establishes and participates in dispute resolution processes within the provisions of the Act.

Section 232ZI of the Workers' Compensation and Rehabilitation Act 2003 and section 60 of the Act, establishes the agreement for engagement of NIISQ Agency to administer claims on behalf of Self Insurers where they meet certain requirements. The agreement refers to the engagement of NIISQ Agency to provide the eligible worker the treatment, care and support as prescribed in the Act.

3. Levy

Levies are recognised at the time they are legally payable by the Department of Transport and Main Roads (DTMR) to the NIISQ Agency under Section 27 of the Motor Accident Insurance Act 1994. This occurs at the time the levies are paid by motorists to DTMR.

The NIISQ Agency levy is set annually in accordance with sections 97, 98 and 99 of the Act. A total pool amount representing a calculation based on actuarial advice of the amount to fully fund present and likely future liabilities, to meet other payments required to be made from the fund and to cover any other matters NIISQ Agency considers appropriate is prepared.

NIISQ Agency provides a copy of its calculations along with the recommendation of the Board to the Insurance Commissioner who makes a recommendation to the Treasurer regarding the setting of the levy. Upon approval by the Treasurer the amount is fixed by regulation.

Given the long term nature of scheme liabilities, estimates of costs are very sensitive to underlying financial assumptions. To support year to year levy stability, actuarial advice underpinning the annual levy recommendation of the Board adopts long-term assumptions for inflation and the discount rate (3.6% p.a. and 5.0% p.a. respectively for 2019-20). In contrast, the estimate of scheme liabilities adopts inflation and discount rates consistent with observable Commonwealth bond yields as at 30 June 2020 (2.8% p.a. and 2.5% p.a. see note 14).

The effect of a lower "gap" between the inflation rate and discount rate is, all other things equal, a higher liability value. To illustrate, if the gap at 30 June 2020 had been equivalent to that adopted in determining the 2019-20 levy, the estimated liability at 30 June 2020 would have been \$1,600M, \$838M less than the actual estimate of \$2,438M.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

4. Investment Income

	2020 \$'000	2019 \$'000
Interest	78	134
Net fair value gains/(losses) on other financial assets	15,732	117,519
Total	15,810	117,653

Interest Revenue that arises in the course of ordinary activities of the NIISQ Agency is recognised in accordance with AASB 101 paragraph 82 and using the effective interest method as set out in AASB 9.

NIISQ Agency recognises other financial assets invested with QIC at fair value. Refer to Note 15.

5. Employee Expenses

	2020 \$'000	2019 \$'000
<i>Employee Benefits</i>		
Wages and Salaries*	4,502	2,471
Employer superannuation contributions	595	343
Annual leave	518	286
Long service leave	204	160
<i>Employee Related Expenses</i>		
Payroll Tax	205	102
Fringe Benefit Tax	8	3
Workers' Compensation premium	26	8
Other employee related expenses	40	15
	6,098	3,389

**Wages and salaries includes \$50,200 of \$1,250 one-off, pro-rata payments for 40.2 full-time equivalent employees (announced in September 2019).*

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information) is 46.1 (2019: 36.3).

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

5. Employee Expenses (cont)

Wages and Salaries

Wages and salaries are recognised as an expense when services are performed. Wages and salaries due but unpaid at reporting date are recognised at the current remuneration rates as NIIAQ Agency expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Sick Leave

Sick leave entitlements are non-vesting and are only paid upon valid claims for sick leave by employees. Sick leave expense is expensed in the reporting period in which the leave is taken by the employee.

Annual Leave

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values as the impact is not considered to be material. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement. Leave taken is expensed in the period at which it is payable.

Long Service Leave

- Liabilities for long service leave are recognised on the same basis as those liabilities for accrued annual leave. Allowance for long service leave is made in accordance with the legal liability and has been calculated using the shorthand methodology in accordance with AASB 119 Employee Benefits.

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans to the Queensland Government's QSuper (or choice superannuation fund) or defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Workers' Compensation Premiums

The NIIAQ Agency pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not considered an employee benefit and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note 20.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

6. Supplies and Services

	2020	2019
	\$'000	\$'000
QIC Management fee	12,349	3,818
Motor Accident Insurance Commission (MAIC)	-	77
Queensland Treasury	104	290
Contractors and consultants	374	876
Professional services	553	412
Other supplies and services	1,621	779
Corporate Administration Agency	135	147
Building services	473	312
Total	15,609	6,711

An expense is recognised when it is incurred, usually as goods or services are received or consumed.

The National Injury Insurance Agency, Queensland
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

7. Treatment, Care and Support

	2020	2019
	\$'000	\$'000
Modifications	1,068	958
Equipment	1,749	1,641
Hospital services	99	186
Attendant care	9,163	4,451
Treatment and rehabilitation	1,509	746
Medical services	278	127
Assessment and review	650	256
Accommodation and travel	446	628
Q Health Annual Grant/Fee	13,000	13,000
Eligibility	-	48
Support services	-	311
Legal Costs	90	14
Lump Sum	87	-
Participant related services	79	-
Vocational and educational support	67	-
	28,285	22,366
Movement in provision for Treatment, Care and Support (refer to note 14)	772,965	779,541
Total	801,250	801,907

Treatment, Care and Support relate to the necessary and reasonable benefits provided to participants in line with the Act, from date of acceptance into the NIISQ. Expenses are recognised in the reporting period in which they are incurred, via a movement in the provision for Lifetime Treatment, Care and Support or when the treatment, care and support service has been provided.

Please note the following expense reclassification took place in FY19-20:

- "Eligibility" has been reclassified to "Participant Related Services";
- "Support services" has been reclassified to "Treatment and rehabilitation" and "Participant related services".

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

8. Other Expenses

	2020 \$'000	2019 \$'000
Queensland Audit Office - external audit fees	76	42
Sponsorships	-	15
Insurance premiums (QGIF)	28	24
Board remuneration	269	270
	373	350

Total audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements are \$76,000 (2019: \$42,000).

9. Receivables

	2020 \$'000	2019 \$'000
Trade debtors	326	494
Accrued levy income	4,767	10,688
GST receivable	229	128
GST Payable	(15)	(34)
Accrued interest income	5	10
Accrued other income	390	3
Total	5,702	11,289

Receivables are measured at amortised cost which approximates their fair value at 30 June. The collectability of receivables is assessed periodically and a loss allowance is recognised for expected credit losses based on reasonable and supportable forward-looking information. NIISQ Agency's receivables are from Queensland and Australian Government entities and Self Insurers. No loss allowance is recognised for these receivables as there is very low credit risk attached to these balances. Refer to Note 16 for NIISQ Agency's credit risk disclosures. Where NIISQ Agency has no reasonable expectation of recovering an amount owed by a debtor, the debt will be written off.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

10. Property, Plant and Equipment

	2020	2019
	\$'000	\$'000
Property, plant and equipment	54	-
Less: Accumulated depreciation	(3)	-
Carrying Amount at 30 June 2020	51	-

Represented by movements in carrying amount:

	2020	2019
	\$'000	\$'000
Carrying amount at 1 July 2019	-	-
Acquisitions	54	-
Disposals	-	-
Depreciation	(3)	-
Carrying amount at 30 June 2020	51	-

Recognition and Measurement

Items of property, plant and equipment (PPE) with a historical cost or other value equal to or exceeding the \$5,000 threshold in the year of acquisition are reported as PPE. Items with lesser value are expensed in the year of acquisition. PPE is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such PPE is not materially different from their fair value as NIISQ Agency does not hold significant levels of PPE.

Depreciation

Property, plant and equipment is depreciated on a straight-line basis as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life.

Useful Life

Key Estimate: For this class of PPE the following depreciation rates are used:

Property, Plant and Equipment	Useful Life
Server Hardware	5 Years

Impairment

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, NIISQ will determine the asset's recoverable amount under AASB 136 Impairment of Assets.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

11. Intangibles and Amortisation Expenses

Intangible asset – balances and reconciliations of carrying amount

	<i>Internally generated software</i>		<i>Internally generated software works in progress</i>		<i>Total</i>	
	2020 \$'00	2019 \$'00	2020 \$'000	2019 \$'00	2020 \$'000	2019 \$'000
Gross	2,292	-	664	754	2,956	754
Less: accumulated amortisation	(27)	-	-	-	(27)	-
Carrying amount at 30 June	2,265	-	664	754	2,929	754
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July	-	-	754	-	754	-
Acquisitions through internal development	-	-	2,202	754	2,202	754
Transfers between asset classes	2,292	-	(2,292)	-	-	-
Amortisation for period	(27)	-	-	-	(27)	-
Carrying amount at 30 June	2,265	-	664	754	2,929	754

Recognition and Measurement

Intangible assets of NIISQ Agency are comprised of internally developed software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of the agency's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below. No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

11. Intangibles and Amortisation Expenses (cont)

Amortisation Expense

Intangible assets of the agency have finite useful lives and are amortised on a straight line basis over their estimated useful life to the agency. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of all the agency's intangible assets is zero.

Useful Life

Key Estimate: For this class of intangible asset the following amortisation rates are used:

Intangible Asset	Useful Life
Software internally generated	7 Years

Impairment

Intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the agency determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the agency, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

12. Payables

	2020 \$'000	2019 \$'000
Payables to QIC	1,061	359
Other payables	858	424
Total	1,919	783

Creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts.

The National Injury Insurance Agency, Queensland
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

13. Accrued Employee Benefits

	2020 \$'000	2019 \$'000
<i>Current</i>		
Salaries and wages outstanding	149	76
Annual Leave (Recreation leave)	565	273
Long service leave current	62	40
Total Current Accrued Employee Benefits	776	389
<i>Non-current</i>		
Long service leave non current	454	296
Total Non Current Accrued Employee Benefits	454	296

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the NIISQ Agency resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within 12 months are recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates. Related on-costs have also been included in the liability.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

14. Provisions

Provision for Outstanding Lifetime Treatment, Care and Support Liability

Under the Act, NIIAQ Agency meets Participants' Lifetime Care and Support Services Expenses for people severely injured in motor accidents. Entitlement to these services commenced on 1 July 2016.

Provisions are recorded when the NIIAQ Agency has a present obligation, either legal or constructive as a result of a past event. The NIIAQ Agency's liabilities for Participants' Lifetime Treatment, Care and Support are valued by NIIAQ Agency's independent actuaries as at 30 June 2020 in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets. They are measured as the present value of the expected future Scheme costs related to participants injured before 30 June 2020, whether or not they have entered the Scheme by that date.

The amount of provision during the year is provided by independent actuaries and is adopted by the Board. It is valued at \$2,437.9M at 30 June 2020 (2019: \$1,664.9M).

The liabilities for Lifetime Treatment Care and Support are measured at the present value of the expected future payments. The present values after discounting are as follows:

	2020 \$'000	2019 \$'000
<i>Current</i>		
Provision for Treatment, Care and Support	49,631	30,774
Total Current Provisions	49,631	30,774
<i>Non-Current</i>		
Provision for Treatment, Care and Support 2-5 years	361,268	292,402
Provision for Treatment, Care and Support greater than 5 years	2,027,052	1,341,811
Total Non-Current Provisions	2,388,320	1,634,213
Total	2,437,952	1,664,986

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

14. Provisions (cont)

(a) Reconciliation of Movement in Provisions

	2020	2019
	\$'000	\$'000
Balance at 1 July	1,664,986	885,445
<i>Prior periods</i>		
Support payments	(14,693)	(8,900)
Allocation of Queensland Health Fee	(8,950)	(7,630)
Support Admin Expenses	(8,166)	(4,902)
Discount unwind	17,145	17,168
Effect of changes in assumptions and experience	(76,915)	58,337
<i>Current period</i>		
Provision for current period	864,544	725,468
Net Outstanding Treatment, Care and Support Liability	2,437,952	1,664,986

The liability for outstanding treatment, care and support includes future payments and administrative expenses for all participants and those injured before 30 June 2020 who are yet to be accepted by the Scheme. The liability is assessed by reviewing individual case files and uses statistics based on past experience, including external data, to estimate the cost of future accepted participants. The liability is measured as the present value of the expected future payments allowing for inflation and superimposed inflation.

The treatment, care and support expense represent the cost to the Scheme of people injured during the year to 30 June 2020 and revision of the estimated cost for people injured up to 30 June 2019.

(b) Key actuarial assumptions - participant numbers and average costs (inflated discounted)

For accepted participants, the average cost has been actuarially assessed based on each participant's age, injury severity, expected progress of the injury, and expected changes to required care and support needs over time. For participants who have not yet lodged or had their application accepted, the average cost allows for their expected age and injury severity mix.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

14. Provisions (cont)

2020

Injury Type	Number of Participants			Average Cost (excl CHE) *		
	Accepted to date	Not yet lodged or accepted	Total	Accepted to date	Not yet lodged or accepted	Total
Brain	240	53	293	\$5.8M	\$5.6M	\$5.8M
Spinal	57	6	63	\$8.1M	\$10.1M	\$8.3M
Other	11	2	13	\$4.9M	\$5.8M	\$5.1M
Total	308	61	369	\$6.2M	\$6.1M	\$6.2M

2019

Injury Type	Number of Participants			Average Cost (excl CHE) *		
	Accepted to date	Not yet lodged or accepted	Total	Accepted to date	Not yet lodged or accepted	Total
Brain	160	65	225	\$4.8M	\$5.2M	\$4.9M
Spinal	40	10	50	\$7.7M	\$8.9M	\$7.9M
Other	7	1	8	\$4.8M	\$5.0M	\$4.8M
Total	207	77	284	\$5.4M	\$5.7M	\$5.5M

* Case handling expense

(c) Key actuarial assumptions - other

	2020	2019
	\$'000	\$'000
Weighted average inflation	2.85%	3.06%
Weighted average discount	2.45%	2.59%
Discounted mean term	26.7 years	26.7 years
Case handling expense applied to payments excluding lump sums	12%	12%

On average scheme costs are expected to increase by 3.86% p.a (2019: 4.19%). This is 1.01% higher than the weighted average inflation of 2.85% p.a (2019: 3.06%) and has been provided for in the actuarial assessment of the liability.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

14. Provisions (cont)

Sensitivity Analysis for the Valuation as at 30 June 2020

The liability represents the best estimate and is based on standard actuarial assessment. The table below shows sensitivities to some of the actuarial assumptions used in the valuation. Significant uncertainty exists due to the long-term nature of liabilities and volatility around the number of Scheme participants and their injury severity. The sensitivities below do not represent an upper or lower bound of the provision but rather provide an indication of the uncertainty inherent in the provision.

Sensitivities Analysis as at 30 June 2020 including Case Handling Expense (CHE)

Scenario	Inflated discounted liability (incl CHE)	Effect on Liability (\$)	Effect on Liability (%)
Base	\$2,438M		
1% p.a. decrease in discount rates	\$3,228M	\$790M	32%
Increase in the discounted mean term of 1 year	\$2,380M	(\$58M)	(2%)
10% reduction in IBNR * participant numbers	\$2,393M	(\$45M)	(2%)
10% increase in the average cost per Acquired Brain Injury participant	\$2,620M	\$182M	7%
10% increase in average cost per Spinal Cord Injury participant	\$2,493M	\$55M	2%
10% increase in the average cost per Other participant	\$2,445M	\$7M	0%
5% increase in care rates	\$2,531M	\$93M	4%
No allowance for improvement in brain injuries	\$2,687M	\$249M	10%
1% p.a. growth in care hours above benchmark	\$3,141M	\$703M	29%

* Incurred but not reported

Sensitivities Analysis as at 30 June 2019 including Case Handling Expense (CHE)

Scenario	Inflated discounted liability (incl CHE)	Effect on Liability (\$)	Effect on Liability (%)
Base	\$1,665M		
1% p.a. decrease in discount rates	\$2,203M	\$538M	32%
Increase in the discounted mean term of 1 year	\$1,623M	(\$42M)	(3%)
10% reduction in IBNR * participant numbers	\$1,616M	(\$49M)	(3%)
10% increase in the average cost per Acquired Brain Injury participant	\$1,785M	\$120M	7%
10% increase in average cost per Spinal Cord Injury participant	\$1,707M	\$42M	3%
10% increase in the average cost per other participant	\$1,669M	\$4M	0%
5% increase in care rates	\$1,727M	\$63M	4%
No allowance for improvement in brain injuries	\$1,854M	\$189M	11%
1% p.a. growth in care hours above benchmark	\$2,137M	\$472M	28%

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

15. Fair Value Measurement

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price).

Financial assets carried at fair value are categorised within the following fair value hierarchy:

Level 1	fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
Level 2	fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
Level 3	fair value measurements that are substantially derived from unobservable inputs.

The NIISQ Agency recognises other financial assets invested with QIC at fair value through profit or loss. The fair value is measured at market value based on closing unit prices of QIC unlisted unit trusts. Fair value gains and losses are recognised in the Statement of Comprehensive Income.

While the units in the trust have redemption prices and are able to be traded, the market would not be considered active for level 1, therefore, they are considered to be level 2. A market comparison valuation approach is used, with the units carried at redemption value as reasonably determined by the funds' manager. Classifications of instruments into fair value hierarchy levels are reviewed annually.

The fair value of receivables and payables is assumed to approximate the value of the original transactions.

The carrying amount for cash assets represents the fair value.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

16. Financial Risk Disclosures

(a) Financial Instrument Categories

The NIISQ Agency has the following categories of financial assets and financial liabilities:

Category	Note	2020 \$'000	2019 \$'000
Financial Assets			
Cash		14,268	3,170
Receivables (amortised cost)	9	5,702	11,289
Other financial assets (fair value through profit or loss)		2,187,676	1,806,643
Total		2,207,646	1,821,102
Financial Liabilities			
Payables (amortised cost)	12	1,919	783
Total		1,919	783

A financial asset is classified at fair value through profit or loss (FVTPL) if it is classified as held for trading or if so designated on acquisition. Financial assets at FVTPL are valued at fair value at balance date.

NIISQ Agency's other financial assets at FVTPL consist of investments with QIC. These assets are classified as held for trading. A financial asset is classified in this category where it is acquired for selling or repurchasing in the near term, or if on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

16. Financial Risk Disclosures (cont)

(b) Financial Risk Measurement and Management Strategies

NIISQ Agency's activities expose it to a variety of financial risks - credit risk, liquidity risk and market risk.

Risk exposure is measured using a variety of methods:

Risk Exposure	Measurement Method
Credit risk	Earnings at risk
Liquidity risk	Maturity analysis
Market risk	Sensitivity analysis

(i) Credit Risk

Credit risk exposure refers to the situation where NIISQ Agency may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation. Credit risk arises from financial assets (cash and cash equivalents, investments held with QIC and outstanding receivables).

The NIISQ Agency's maximum exposure to credit risk is the carrying amount of its Financial Assets disclosed in Note 16(a).

The NIISQ Agency seeks to reduce the exposure to credit risk in the following manner:

- invest in secure assets through QIC and regularly reviewing the investment strategy;
- monitor all funds owed on a timely basis; and
- assess credit risk exposure on an ongoing basis.

Cash and cash equivalents are held with banking and financial institutions through the whole-of-government banking arrangement.

The NIISQ Agency does not expect any material credit losses in relation to its receivables disclosed in Note 9. The debtor group comprises of Queensland and Australian Government entities. They are expected to have an insignificant level of credit risk exposure having regard to the nature and credit ratings of these entities.

(ii) Liquidity Risk

Liquidity risk refers to the situation where the NIISQ Agency may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The NIISQ Agency is exposed to liquidity risk in respect of its payables and future Participant Lifetime Treatment, Care and Support Expenses. NIISQ Agency's current payables and provisions are expected to be settled within 12 months of the reporting date.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

16. Financial Risk Disclosures (cont)

The NIIAQ Agency manages its exposure to liquidity risk by ensuring that the NIIAQ Agency has sufficient funds available to meet its liabilities. This is achieved by monitoring the QIC investment funds and maintaining minimum cash balances within its bank account to meet both short-term and long-term cash flow requirements.

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk.

The significant market risks to the NIIAQ Agency are unit price and interest rate risks associated with its investments managed by QIC. The investment portfolio includes investments in cash, fixed interest funds, property, infrastructure, private equity, international and Australian equities, and alternative funds. Movements in interest rates and market prices of the financial instruments impact the fair values of NIIAQ Agency's financial assets.

Interest rate risk also exists in relation to NIIAQ Agency's cash held in interest bearing bank accounts.

Market risk is managed through regular reviews of the investment strategies with QIC and assessment of 3 year return forecasts.

(c) Market Risk Sensitivity Analysis

A sensitivity analysis has been performed assessing the impact to profit and loss if the unit price of the NIIAQ Agency's investment funds change. The analysis is based on a range of reasonably possible changes to key risk variables applicable to the QIC investment funds as identified by QIC, including the RBA official cash rate, Bank of England official cash rate, ASX 200, MSCI World ex Australia Equities Index and real estate capitalisation rate.

The NIIAQ Agency's sensitivity to these possible changes are shown in the table below.

	2020				2019			
	Movement in variable		Impact on Profit / Equity		Movement in variable		Impact on Profit / Equity	
	Low	High	Decrease	Increase	Low	High	Decrease	Increase
Investments	%	%	\$'000	\$'000	%	%	\$'000	\$'000
QIC Cash Fund	-0.23	0.23	(27)	27	-0.22	0.22	(19)	19
QIC LTDF	-11	10	(143,285)	130,259	-12	12	(129,812)	129,812
QIC AFIF	-0.51	0.52	(4,454)	4,541	-0.27	0.27	(1,933)	1,933
Total			(147,766)	134,827			(131,765)	131,765

The interest rate risk associated with the NIIAQ Agency's cash and cash equivalents is immaterial.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

17. Contingencies and Commitments

There were no known commitments or contingent assets or liabilities at 30 June.

18. Events Occurring after the reporting date

There is still significant uncertainty associated with the speed of recovery or the occurrence of a second wave of COVID-19. To the extent that the impacts of COVID-19 are more material or prolonged than anticipated, this may have a material impact on NIISQ Agency's financial statements although the actual impacts cannot be reliably estimated at the reporting date.

19. Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 will first apply from 2020-21. This standard defines service concession arrangements and applies a new control concept to the recognition of service concession assets and related liabilities.

As NIISQ Agency currently does not have any service concession arrangements there will be no impact on its financial statements.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the NIISQ Agency's activities, or have no material impact on the NIISQ Agency.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

20.Key Management Personnel (KMP) Disclosures

Details of KMP

The following details for KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the NIIAQ Agency during 2019-20.

Position	Position Responsibility
Chief Executive Officer (from 1 July 2019 to current)	Leads the efficient, effective and economic administration of the NIIAQ Agency.
Head of Corporate Services (from 1 July 2019 to current)	Responsible for the efficient, effective and economic financial administration of the NIIAQ Agency.
Head of Participant Care (from 1 July 2019 to current)	Responsible for the leadership and supervision of NIIAQ Agency support coordination compliance and performance.
General Counsel (from 1 July 2019 to current)	Responsible for managing the NIIAQ Agency's legal function, procurement, risk management and supporting the NIIAQ Agency to provide treatment, care and support to participants in a legally sound and compliant manner.

Remuneration Policies

The NIIAQ Agency's KMP are employed under the NIIAQ Act and via employment contract/agreement between the executive and the Agency. The remuneration policy for the NIIAQ Agency's KMP is aligned to the Senior Executive Service employment remuneration and conditions as set by the Queensland Public Service Commission.

Remuneration packages for KMP comprise the following components:

- Short term employee expenses which include:
 - salaries, allowances and leave entitlements paid and provided for the entire year, or for that part of the year during which the employee was a key management person; and
 - non-monetary benefits - consisting of provision for motor vehicle related expenses together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

20. Key Management Personnel (KMP) Disclosures (cont)

KMP Remuneration Expense

2019-20

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	261	6	6	32	-	304
Head of Participant Care*	138	-	4	14	-	156
Head of Corporate Services	181	6	4	19	-	210
General Counsel	183	4	4	19	-	211
Total Remuneration	763	15	18	84	-	880

*Please note this position was previously referred to as "Head of Operations" in 2018-19

2018-19

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses*
	Monetary Expenses	Non-Monetary				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	108	1	3	11	-	123
Head of Operations	89	-	4	9	-	102
Head of Corporate Services	126	4	3	13	-	146
Total Remuneration	323	5	10	33	-	371

*Please note in 2018-19, the Chief Executive Officer commenced in January 2019, the Head of Operations and Head of Corporate Services both commenced in October 2018. As a result, the KMP remuneration expenses is lower in 2018-19.

Performance Payments

No KMP remuneration packages provide for performance or bonus payments.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

21. Board Disclosures

The Board decides the strategies and the administrative, operational and financial policies to be followed by the NIISQ Agency ensuring the NIISQ Agency performs its functions and exercises its powers in an efficient, effective and proper way. The NIISQ Agency Board consists of seven members appointed by the Governor-in-Council. The members are employed under the Act.

Board Member Remuneration

2019-20

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Board Member (Chair) Julie-Anne Schafer	55	-	-	5	-	60
Board Member Michael Willis	36	-	-	3	-	40
Board Member Lesley Anderson	35	-	-	3	-	39
Board Member Scott Davis	35	-	-	3	-	39
Board Member Michelle Morton	35	-	-	3	-	39
Board Member Rowan Ward	35	-	-	3	-	39
Board Member Susan Young	36	-	-	3	-	40
Total Remuneration	269	-	-	26	-	295

2018-19

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Board Member (Chair) Julie-Anne Schafer	55	-	-	5	-	60
Board Member Michael Willis	36	-	-	3	-	39
Board Member Lesley Anderson	35	-	-	3	-	38
Board Member Scott Davis	36	-	-	3	-	39
Board Member Michelle Morton	36	-	-	3	-	39
Board Member Rowan Ward	35	-	-	3	-	38
Board Member Susan Young	37	-	-	4	-	41
Total Remuneration	270	-	-	24	-	294

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

22. Related Party Transactions

Transactions with people/entities related to Key Management Personnel (KMP)

During the financial year there were no transactions with people or other entities related to KMPs of NIISQ Agency.

Transactions with Other Queensland Government controlled entities

Queensland Treasury and CAA provided NIISQ Agency with administration and corporate support services during the financial year as disclosed in Note 6.

NIISQ Agency incurs management fees from QIC for the management of the QIC unlisted unit trusts as disclosed in Note 6.

NIISQ Agency makes payment from the fund in an amount determined by the Treasurer to any government entity, that is responsible for providing public hospital services or emergency services as disclosed in Note 7.

NIISQ Agency charges WorkCover Queensland and Self Insurers an administrative fee for providing eligible worker the treatment, care and support as prescribed in the NIISQ Act 2016. Total charges relating to 2019-20 are \$391,301 (2019: \$185,794)

23. Agency Transactions

NIISQ Agency arranges for the provision of services on behalf of the Self Insurers, makes payments for participants' lifetime treatment, care and support expenses and receives respective reimbursements. Reimbursements received during the year have not been included as revenue in the Statement of Comprehensive Income as the Self Insurers retain the liability. Similarly, payments made on behalf of the Self Insurers have not been included as expenses.

Amounts relating to 2019-20 are \$1,868,942 (2019: \$1,165,560).

24. First year Application of New Accounting Standards or Change in Accounting Policy

Changes in Accounting Policies

NIISQ Agency did not voluntarily change any of its accounting policies during 2019-20.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2019-20.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

24. First year Application of New Accounting Standards or Change in Accounting Policy (cont)

Accounting Standards Applied for the First Time

Three new accounting standards were applied for the first time in 2019-20:

- AASB 15 Revenue from Contracts with Customers
- AASB 1058 Income of Not-for-Profit Entities
- AASB 16 Leases

Based on present arrangements, the NIISQ Agency does not enter into contracts for the sale of goods or services or grants agreements, hence there are no impact as a result of AASB 15.

Levies received are non-contractual income arising from statutory requirements without providing consideration to the other party, and hence recognised as revenue at the time of receipt, consistent to current treatment and hence no material impact to the financial statements under AASB 1058.

In 2018-19, the NIISQ Agency held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised commercial office accommodation through the Queensland Government Accommodation Office (QGAO) and residential accommodation through the Government Employee Housing (GEH) program. Effective 1 July 2019, the framework agreements that govern QGAO and GEH were amended with the result that these arrangements would not meet the definition of a lease under AASB 16 and therefore are exempt from lease accounting. From 2019-20 onward, the costs for these services are expensed as supplies and services expenses when incurred. The new accounting treatment is due to a change in the contractual arrangements rather than a change in accounting policy.

No accounting standards that apply to the Agency for the first time in 2019-20 have any material impact on the financial statements.

25. Taxation

The NIISQ Agency is a statutory body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes accounted for by the NIISQ Agency. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note 9).

26. Climate Risk Disclosure

The NIISQ Agency addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenue.

The Agency has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

27. Impact of COVID-19

COVID-19 was declared a world-wide pandemic by the World Health Organisation in March 2020. The outbreak has had significant impact on global economies and have caused volatility and instability in financial markets. The NIISQ Agency has considered the expected impact of the current economic uncertainty and market volatility caused by COVID-19 in preparing its financial statements, in particular the two key business drivers:

Investments with QIC

All financial instruments invested in a QIC managed fund are measured at fair value, which is determined in accordance with *AASB 13 Fair Value Measurement*.

The fair value of financial assets traded in active markets is based on their quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

The determination of the Agency's financial asset's fair value as at 30 June 2020 included a consideration of the financial and economic uncertainty which has arisen as a result of the COVID-19 pandemic.

Valuation of treatment, care and support provisions

There have not been any adjustments to the liability as a result of COVID-19 nor is it expected that it will have a material impact. This is based on travel restrictions having eased with limited affect to date on participant numbers. The long-term nature of the liabilities also means that even if there was a temporary reduction in support costs, it is unlikely to have a material impact on the liability value.

While the specific areas of judgement as noted in previous sections did not change, the impact of COVID-19 resulted in the application of further judgement within those identified areas. Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic and the short duration between the declaration of the pandemic and the preparation of these financial statements, changes to the estimates and outcomes that have been applied in the measurement of the NIISQ Agency's assets and liabilities may arise in the future.

MANAGEMENT CERTIFICATE

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009 (the Act)*, section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the National Injury Insurance Agency, Queensland for the financial year ended 30 June 2020 and of the financial position of the agency at the end of that year; and
- (c) We, acknowledge(s) responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Signature

J Schafer

LLB (Hons) FAICD, ANZIIF

Chairperson

27/08/2020



Signature

S Noonan

BEcon, GradCert (Mgt), PMESA, GAICD

Chief Executive Officer

27/08/2020

INDEPENDENT AUDITOR'S REPORT

To the Board of The National Injury Insurance Agency, Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of The National Injury Insurance Agency, Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the 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 entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Material uncertainty related to going concern

I draw attention to Note 1(g) to the financial report, which indicates that the entity's total liabilities exceeded its total assets by \$230,406,000 at 30 June 2020, and it incurred a net operating loss of \$385,808,000 for the year then ended. As stated in Note 1(g), these circumstances indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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 the 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 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 the 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. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity'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 my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.

I communicate with the Board regarding, 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 my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope


The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



28 August 2020

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



Appendices



The National Injury Insurance Agency, Queensland Outstanding

Treatment, Care and Support Liability as at 30 June 2020

1 Scope

Taylor Fry has been engaged by the Board of the National Injury Insurance Agency Queensland (NIIAQ) to assess the outstanding treatment, care and support liability associated with the National Injury Insurance Scheme Queensland as at 30 June 2020. This valuation will form the basis for the provisions held by NIIAQ in their accounts as at 30 June 2020, with respect to these liabilities.

2 Valuation Results

The estimated outstanding treatment, care and support liability for NIIAQ as at 30 June 2020 is \$2,438 million. This liability estimate:

- Is a central estimate of the liability, and therefore contains no deliberate bias towards over or under estimation. Specifically, the liability estimate does not include a margin for risk;
- Allows for the expected future inflation of costs and is discounted to the valuation date assuming yields commensurate with Australian Commonwealth government bonds; and
- Includes an allowance associated with the expected future cost of managing participants' care and support.

3 Relevant Standards

3.1 Accounting Standards

The estimate of the outstanding treatment, care and support liability was prepared so as to satisfy the requirements of accounting standard AASB137.

3.2 Professional Standards

This investigation is intended to comply with the Institute of Actuaries of Australia's Professional Standard PS 302, "Valuations of General Insurance Claims", noting that:

- Risk margins were not in the scope of our analysis
- Premium Liabilities and loss ratios were not in the scope of our analysis.

4 Uncertainty

There is a limitation upon the accuracy of our estimate in that there is inherent uncertainty in any estimate of participant support liabilities. The uncertainty is particularly high with regard to NIIAQ's liabilities given that the Scheme only commenced in 2016 combined with the long-term nature of the liabilities which will in many cases be paid over more than fifty years. These uncertainties include, but are not limited to, the number of participants in the Scheme, their rates of mortality, the level of care and support they will require, and prices paid to providers.

In our opinion, we have employed techniques and made assumptions that are appropriate, and the conclusions presented herein are reasonable, given the information which is currently available. However, it should be recognised that the actual liabilities relating to treatment, care and support as at 30 June 2020 are likely to differ, possibly materially, from our estimates.

5 Reliance and Limitations

In undertaking this investigation, we have relied upon information supplied by NIIAQ including details of participants' injuries and transactional payments data. We have used the information without independent verification. However, where possible, it was reviewed for reasonableness and consistency. We are satisfied that the data provided for our review is reasonable for the purpose of estimating the outstanding treatment, care and support liability.



Darryl Frank

Fellow of the Institute of Actuaries of Australia

7 August 2020

Appendix 2 – Glossary

Term/s	Definition
Act / NIIISQ Act	<i>National Injury Insurance Scheme (Queensland) Act 2016</i>
Attendant care	This means paid personal care support services delivered at a participant's home or in their community.
Board	The Board of the National Injury Insurance Agency, Queensland. This refers to the Chairperson, Deputy Chairperson and Board members appointed to the Board.
Board member	A person who is, for the time being, appointed as a member of the Board of the National Injury Insurance Agency, Queensland
Carer	A person who provides personal care, support and assistance to a participant.
CONNECT	The NIIISQ Agency's internal database for recording and reporting on treatment, care and support for participants.
CTP	Compulsory Third Party insurance
Executive Leadership Team (ELT)	The Chief Executive Officer, Head of Participant Care, Head of Corporate Services and General Counsel.
Goals	The individual aspirational outcomes set by participants for themselves.
Interim participant	Interim participants are people who been accepted in to the Scheme for the defined participation period described in the <i>National Injury Insurance Scheme (Queensland) Act 2016</i> .
Lifetime participant	Lifetime participants have been accepted in to NIIISQ for the rest of the person's life.
National Disability Insurance Scheme (NDIS)	The NDIS is a different scheme to NIIISQ. NDIS provides support to people living with disability. More information about this scheme can be found on its website: www.ndis.qld.gov.au .
National Injury Insurance Agency, Queensland (NIIISQ Agency)	The Queensland statutory body that administers NIIISQ.
National Injury Insurance Scheme (NIIIS)	This describes the type of lifetime care scheme implemented in all states and territories in Australia. NIIISQ is a type of NIIIS.
National Injury Insurance Scheme Queensland Fund (NIIISQ Fund / the Fund)	This is the fund that NIIISQ Agency manages to meet the cost of necessary and reasonable participant treatment, care and support now and throughout their lifetimes, and NIIISQ Agency operational expenses.
National Injury Insurance Scheme Queensland levy (NIIISQ levy / the Levy)	Queenslanders pay for NIIISQ via a levy in conjunction with CTP premium and registration.
National Injury Insurance Scheme, Queensland (NIIISQ)	The name of the scheme implemented in Queensland to provide necessary and reasonable treatment, care and support to people who sustain a serious personal injury in a motor vehicle accident. In this annual report, NIIISQ is also referred to as 'the Scheme'.
Necessary and reasonable treatment, care and support	This refers to the types of treatment, care and support that is funded under the <i>National Injury Insurance Scheme (Queensland) Act 2016</i>
Participant	A participant is a person who has applied and been accepted to participate in NIIISQ.
Performance and Development Agreement (PDA)	A templated document outlining a NIIISQ team member's performance and development for a specified period as agreed by the team member and their manager.
Provider	Refers to individuals or organisations who deliver treatment, care and support services to NIIISQ participants
QAO	Queensland Audit Office
Registered provider	This is an individual or organisation that provides treatment, care or support and has met the NIIISQ Agency requirements for registration
Regulation	<i>The National Injury Insurance Scheme (Queensland) Regulation 2016</i>
Stakeholder	All those who are either affected or who can be affect the activities of the NIIISQ Agency, namely participants, government agencies, non-government organisations, hospital staff, allied health professionals, and employees.
Study and Research Assistance Scheme (SARAS)	The Study and Research Assistance Scheme provides financial and leave assistance for employees completing work-related study.
Support Plan	A tailored plan written with the participant which states their goals, injury-related needs, and the necessary and reasonable treatment, care and support that NIIISQ will fund. Each NIIISQ participant has their own individual support plan.
Support Planner	The NIIISQ Agency disability services professionals who assess, decide and monitor provision of necessary and reasonable treatment, care and support and develop support plans with NIIISQ participants.
Treasury	Queensland Treasury

Appendix 3 – Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	» A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Letter of compliance page i
Accessibility	» Table of contents	ARRs – section 9.1	Table of contents – page ii
	» Glossary		Appendix 2 - Glossary - page 78
	» Public availability	ARRs – section 9.2	Inside front cover
	» Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Inside front cover
	» Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside front cover
	» Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Inside front cover
General information	» Introductory Information	ARRs – section 10.1	About us - page 1 - 2
	» Machinery of Government changes	ARRs – section 10.2, 31 and 32	not applicable
	» Agency role and main functions	ARRs – section 10.2	Our vision, our role / purpose - page 2 About NISQ Agency - page 1 - 2
	» Operating environment	ARRs – section 10.3	About Us - page 1 - 2 A message from our Chairperson - page 3 CEO report - page 4 - 5 Our performance - page 11 - 19 Governance - meeting attendance - page 22
Non-financial performance	» Government's objectives for the community	ARRs – section 11.1	About NISQ Agency - Supporting Government priorities - page 1 - 2
	» Other whole-of-government plans / specific initiatives	ARRs – section 11.2	Not applicable
	» Agency objectives and performance indicators	ARRs – section 11.3	Our performance - pages 11 - 19 Appendix 4 – Strategic plan - page 80
	» Agency service areas and service standards	ARRs – section 11.4	Not applicable
Financial performance	» Summary of financial performance	ARRs – section 12.1	Governance – Summary of financial performance - page 33
Governance – management and structure	» Organisational structure	ARRs – section 13.1	People – Organisational structure - page 10 People – Our Executive Leadership team - page 9 Governance – Our Board - page 20 - 22
	» Executive management	ARRs – section 13.2	People – Our Executive Leadership team - page 9 Governance – Our Board - page 20 - 22
	» Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Not applicable
	» Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	People – Our people – Code of conduct - page 6
	» Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Governance – Other governance frameworks - page 24
	» Queensland public service values	ARRs – section 13.6	People – Our values - page 2
Governance – risk management and accountability	» Risk management	ARRs – section 14.1	Governance – Role of the Board - page 20 Governance – Our Board Committees - page 23 - 24
	» Audit committee	ARRs – section 14.2	Governance - Audit and Risk Committee - Page 23
	» Internal audit	ARRs – section 14.3	Governance - Internal and external accountability - Page 25
	» External scrutiny	ARRs – section 14.4	Governance - Internal and external accountability - Page 25
	» Information systems and recordkeeping	ARRs – section 14.5	Governance - Internal and external accountability - Page 25
Governance – human resources	» Strategic workforce planning and performance	ARRs – section 15.1	People – our people - page 6 - 8
	» Early retirement, redundancy and retrenchment	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Not applicable – Refer - People – Our people – Workplace transitions - page 6
Open Data	» Statement advising publication of information	ARRs – section 16	Governance – Other disclosures - Page 26
	» Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	» Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	» Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	» Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Certification of financial statements (letter of compliance) - page i Management certificate - Page 71
	» Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Independent Auditor's Report - Page 72 - 74

National Injury Insurance Agency, Queensland

Strategic Plan 2016-2020

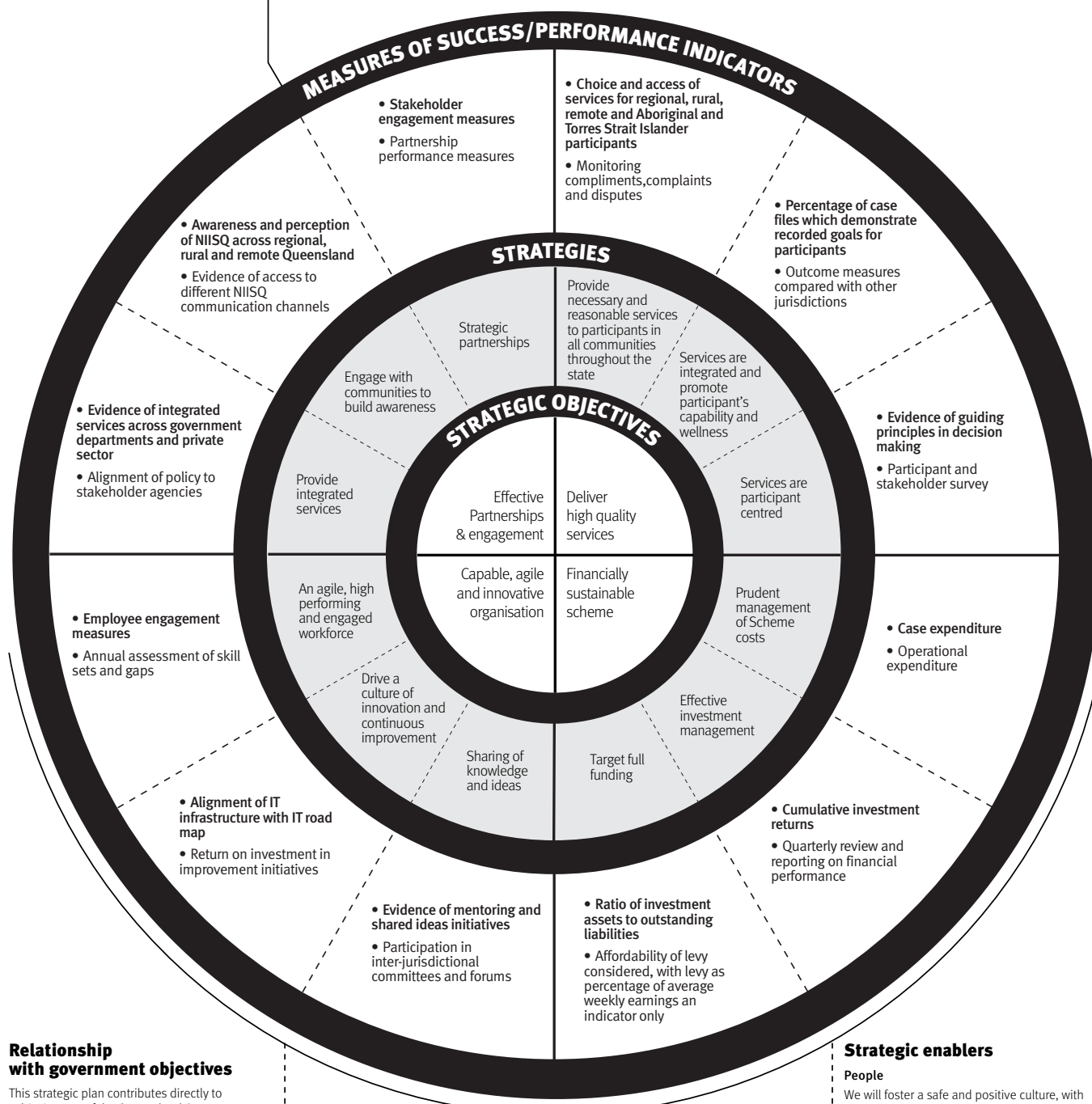
Revised 2019

Our Vision

Making lives better.

Our role/purpose

Build capability to provide financially sustainable lifetime care and support for participants through individual choice and independence.



Relationship with government objectives

This strategic plan contributes directly to achieving two of the Queensland Government objectives for the community by contributing to:

- responsive government by making NIIISQ services accessible to eligible participants; and
- keeping Queenslanders healthy through helping NIIISQ participants to build resilience and strong mental health.

Our Strategic Risks

- Inability to budget for, and manage demand for services
- Effective management and evolution from changes to legislation and regulation
- Privacy, information security and data breach
- IT system adequacy to support service delivery
- Inability to source and secure adequate services and to manage outsourced arrangements

Guiding principles

- Participant centred
- Financially sustainable
- Value for money services within community expectations
- Empower participants through decision making and choice
- Focus on health and social outcomes
- Dignity and respect are paramount.

Strategic enablers

People

We will foster a safe and positive culture, with a committed, innovative and collaborative workforce.

Technology

We will use technology to improve service quality and ensure cost effectiveness and we seek out innovative solutions to achieve our purpose.

Effective Governance

We will establish and maintain a transparent, accountable scheme which is compliant with laws and our guiding principles.



NIISQ
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