



# **PARLIAMENT OF TASMANIA**

## **TRANSCRIPT**

### **LEGISLATIVE COUNCIL**

### **GOVERNMENT BUSINESS SCRUTINY COMMITTEE A**

#### **Motor Accidents Insurance Board**

**Tuesday 29 November 2022**

#### **MEMBERS**

Hon Nick Duigan MLC  
Hon Luke Edmunds MLC  
Hon Ruth Forrest MLC (Chair)  
Hon Mike Gaffney MLC  
Hon Dean Harriss MLC  
Hon Sarah Lovell MLC (Deputy Chair)



## **WITNESSES IN ATTENDANCE**

**Hon. Michael Ferguson MP**, Deputy Premier, Treasurer, Minister for Infrastructure and Transport and Minister for Planning

**Mr Don Challen AM**, Chair

**Mr Paul Kingston**, Chief Executive Officer



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**The committee met at 11.15 a.m.**

**CHAIR** - Welcome back, minister. We are here for our public scrutiny of MAIB. I invite you to either ask your team at the table to introduce themselves or for you to do so. I also invite you to make an opening comment and hand to either the chair or the CEO if they wish to also make opening comments.

**Mr FERGUSON** - Thank you, Chair and good morning to you and your committee. I welcome and introduce you to Mr Don Challen AM, Chair of MAIB and Mr Paul Kingston, Chief Executive Officer.

It is always a great pleasure that I have the opportunity to outline the achievements of the Motor Accidents Insurance Board during these hearings, particularly the fact that, again, MAIB premiums remained the lowest in Australia. This is despite the MAIB providing arguably the best overall no-fault benefits to those injured in motor vehicle accidents in the country, and achieving consistently high client satisfaction results which, no doubt, the committee will want to explore today.

I am also pleased to indicate that there are no general premium increases from 1 December, nor will there be from last December and nor will there be from 1 December coming. As from 1 July 2022, the highest premium for a standard motor vehicle in Australia was \$591, compared to Tasmania's current premium of \$282. Naturally, that is the largest component of what a person will pay on their annual motor vehicle registration.

The general trend of reducing claim frequency and average claim costs reflects the ongoing road safety improvements including infrastructure works, education campaigns and enforcement activities, all of which are supported by MAIB in different ways. It is Tasmanian motorists who are receiving those direct benefits positive outcomes.

To the committee, despite the ongoing uncertainties and challenges presented by the pandemic as well as the volatility in global investment markets, the MAIB continued to maintain its service provision in order to maximise the continuity of care for clients and their families, and preserve the long-term sustainability of the scheme. The MAIB continues to support people impacted by road trauma, with a high client satisfaction rating of 81 per cent.

During the financial year, the MAIB supported 1923 people involved in motor vehicle accidents. This is a welcome reduction from the previous year with 240 fewer people injured on Tasmanian roads - despite what we are all very familiar with, and that is an unusually high and tragic road trauma rate this calendar year.

The MAIB is well positioned with regard to its long-term financial position, and the committee will be pleased to know the funding ratio is 131 per cent, while consistently providing strong returns to government. The MAIB continues to work with the Road Safety Advisory Council as well as Tasmania Police, to implement highly effective advertising and public education messages, combined with appropriately targeted enforcement activities.

The board provides annual funding of \$4.1 million to the council and has funded this initiative since 1996. In addition, the MAIB continues to provide significant contributions to a wide range of community organisations across the state, with \$5 million provided to improve road safety injury management as well as broader community support.

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A major component of the MAIB funding is the Injury Prevention and Management Foundation. The Foundation funds research, education and service programs aimed at prevention of motor accidents, or at least reducing the severity and improving the management of injuries from motor accidents.

I congratulate and thank the MAIB on the exceptional service that it provides the Tasmanian community, it really is a Tasmanian success story. It would only be good and reasonable for me to pay a particular thanks - but he will not want me to do so - to the outgoing chair, Mr Don Challen, who continues as chair until 17 December. He will retire as chair after 12 years of dedicated service to this organisation, leaving it in very good shape. I appreciate his efforts and those of his colleagues on the board, in particular.

I am happy now to take your questions, Chair and committee.

**CHAIR** - Thanks minister. So, it is our last time, Don?

**Mr CHALLEN** - Yes, it is. Last of many.

**CHAIR** - I would just like to focus on the financial performance first and then we will come to some of the other matters - and committee members will also engage, I am sure. As alluded to by the minister, I would like to explore this a bit further, the item of interest, particularly in the financials this year, are the large investment losses. I am interested in what the consequential effects of those may be. Investment losses, as noted, were \$85 million compared to investment gains of \$256 million in 2020-21 and note 4 on page 26 has all the details about those matters.

It is the unrealised losses due to market movements and shares, et cetera, of \$106 million, which has resulted in the \$85 million loss from investments. I am interested in the consequential effects of that may be, acknowledging that these are matters that are dealt with over time. Also, does it mean because there is a loss here, that MAIB will not remit any income tax equivalents as a consequence of this 2022 result?

**Mr FERGUSON** - Thanks, Chair, and I will throw to my chair to respond in detail, noting that, like so many large capital funds like superannuation, for example, global markets did turn in the financial year. It did take the edge off some of the very big gains that were achieved in the previous year, but it does not change the fact that the dividend policy of MAIB is not reflective, which is unusual, in comparison with its peers in other GBEs and state-owned companies of dividend policy. In respect of MAIB, a dividend policy is based on the long-term financial position and based on the funding ratio. I invite the chair to provide that level of detail for the committee.

**CHAIR** - Just to be clear, I was not talking about dividends, minister, because I understand there is a different arrangement on top of that income tax equivalents.

**Mr CHALLEN** - Minister, clearly the 2021-22 year was a very difficult year on investment markets. We had budgeted for profit before tax for that year of about \$80 million and the outcome was a loss of \$74 million. The big component of that was investment income, which actually showed a loss where we had budgeted for a positive number of about \$92 million. The outcome was slightly softened by the fact that, because interest rates went up

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over the year, our claims of liability fell because the rate at which we were discounting future cash flows was higher. Consequently, the claims for liability was lower and that led to a little softening of about \$26 million in our claims expense relative to budget.

It was a very difficult year. That said, if you look at it in the longer term, say over the last five years, it is the only year in the past five years in which we have thrown a loss and it followed a profit of \$303 million in 2021 and I think in our sort of business you need to smooth things over a number of years because the volatility of investment markets can produce some big highs and some big lows occasionally in individual years.

We have positioned ourselves for situations like that which emerged in 2021-22. We do that with a strategic asset allocation. The way we place our investments is designed to cope with the ups and down of investment markets over time. Because the application of tax goes only to realised gains and losses, we will still pay some tax equivalent payments of about \$22 million this year, even after that large loss last year. Obviously, there is a difference between the accounting for gains and losses in the financial statements and for tax purposes. I have the impression you are okay with the way the dividend policy works.

**CHAIR** - Other members of the committee would appreciate some more detail around that, myself too. Just before you go onto the dividend policy if might, in terms of the, I think you said \$22 million was expected in income tax equivalents tax next year. Will it drop away?

**Mr CHALLEN** - The year we are in 2022-23.

**CHAIR** - Sorry, this financial year now, so you cannot actually effectively carry forward a tax loss when it's an unrealised loss? Is that what you're saying?

**Mr CHALLEN** - We could carry forward a realised tax loss. I do not have the number in front of me, but there's a complicated process that's involved in getting from the reported loss before tax to the taxable profit. The big difference between them is that taxes only apply to realised gains and losses, not unrealised gains and losses, and, by far the largest part of that movement last year was in market valuations on investment markets, the vast majority of which is unrealised.

**CHAIR** - And could turn around.

**Mr CHALLEN** - Absolutely, in fact is turning around already, pretty much as we sit here.

**CHAIR** - Okay, so we can go to the dividend policy. That would be good.

**Mr CHALLEN** - Like all government businesses, we pay a dividend to our shareholder based on our profit after tax - and it's just the accounting profit, the reported profit in the financial statements. Because we are subject to much more volatility in our outcomes than other government businesses, for many years we have had an arrangement where the dividend is not applied to last year's actual profit after tax. It is applied to a five-year average of the last years and the four before. The idea of that is it attempts to smooth the actual outcomes from one year to the next, and it has worked extremely well for both us and the government for many years.

We also are very reliant on our capital to maintain solvency to underpin the financial strength of the business. Our dividend policy also recognises the importance of solvency. We target a solvency ratio - that's the ratio of our investment assets to our liabilities - of between 120-145 per cent. The dividend policy sets a little range in the middle of that target where the dividend payout ratio is 50 per cent of after-tax profit, smoothed after-tax profit. As the profit moves up beyond that central range towards the top of our target range, so the payout ratio goes up. If we are building up excess capital there's a process that automatically takes it out again and pays it to the government as extra dividend, and it works -

**CHAIR** - Is this part of the usual dividend, not an extra dividend?

**Mr CHALLEN** - No, it is just the ordinary dividend, its embedded in the ordinary dividend policy. If we have bad years, a sequence of bad years, it works the other way too. If we head towards the bottom of that target range of solvency ratio, the dividend payout ratio drops below 50 per cent. The idea of that is it helps us recover that capital we need to maintain our solvency.

**CHAIR** - Members may recall there was a special dividend taken out by the Government when there was the big profit year.

**Mr CHALLEN** - There is a history of governments both requesting and accepting special dividends from the MAIB that goes back for a quite a number of years. In recent years, we paid a special dividend of \$100 million in 2014-15. We paid a \$50 million special dividend in 2019-20.

It is important to emphasise that both of those special dividends were actually at the initiative of the MAIB board. In earlier years, they have been at the initiative, probably, of the Treasury or the Government. In fact, I may have been guilty in an earlier life myself.

Those two recent large ones have both been at the initiative of the board. The first one, that \$100 million in 2014-15, was when we had a sequence of very good investment returns and had built up a lot of excess capital. This was in days before we had the current dividend policy. The board made a decision because we had substantial excess capital, we should offer up a special dividend to the government to take us back nearer to our target. The 2019-20 one was slightly unique. It was the year in which the then treasurer agreed to the current dividend policy. The board, at the time, assessed in view of the fact we now had a dividend policy that would help to keep us in the target solvency range, deal with the upsides and give us some recovery in the downsides. We had a look at our capital position at that time and offered up \$50 million because we felt we had \$50 million more capital than we needed at the time.

It is possible we will get special dividends in the future, but it is much less likely than it has been in the past, because we now have a dividend policy that does it pretty much automatically through the ordinary dividend.

**Ms LOVELL** - In relation to the forecast dividends, I notice from the budget papers the estimated dividend for 2021-22 was \$48.3 million. In your annual report, you are on track for \$30.9 million. Are you expecting there will need to be an adjustment then, in the forecast dividends over the forward Estimates? Or are you expecting you will be back on track to pay those dividends as expected?



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**Mr KINGSTON** - The \$48.3 million was paid in 2021-22 but referred to the previous financial year. The \$30.9 million that was quoted in the budget is the dividend in relation to the 2021-22 year, which we will pay in December this year. We pay them in the next financial year.

**Ms LOVELL** - That would be \$39.9 million?

**Mr KINGSTON** - \$30.9 million is actually the -

**Ms LOVELL** - It was forecast for the \$39.9 million, is that the one in the budget with 2022-23 we are looking at?

**Mr KINGSTON** - I am not sure about the budget figures, we give budget updates to Treasury as we go through and those figures change over time as our financial position in the year unfolds. We work out our dividend to be paid at the end of the financial year. That \$30.9 million will be paid in December this year in relation to the 2021-22 year. The \$48.3 million would have been what the estimate was in the year before, what we paid the year before for 2021. We are always one financial year behind in our payments. That \$30.9 million is set to be paid in December. It will not change. The payment for this year will not be known until the end of this financial year. We will pay that in December next year.

**Ms LOVELL** - To clarify, that will be the dividend for the 2021-22 financial year, but it is paid in 2022-23?

**Mr KINGSTON** - It is paid in December in 2022.

**Ms LOVELL** - Right, thank you.

**Mr CHALLEN** - If you look at the MAIB dividends in the forward Estimates, they are beyond the 2022-23 number which is fixed based on 2021-22 profit. Those numbers are all based on our forecasts of our profit in the out years. In turn, we assume - if I can use this term - normal investment returns for the purposes of forecasting our profits. It is odds-on that there will be some significant differences from those forward Estimates as markets evolve and things pan out.

**Ms LOVELL** - Alright, thank you.

**CHAIR** - In the budget papers, I know you do not have them in front of you, but I will just ask this about the MAIB income tax equivalent for 2021 was \$9 million.

**Mr GAFFNEY** - What page are you on, Ruth?

**CHAIR** - It is in the budget papers. I assume that was on an accruals basis and that is what will be paid in December, as has been discussed. I am looking at the questions and some have been answered in the comprehensive answer you gave.

With the liability for outstanding claims - it is an actuarial calculation of \$1.3 billion. MAIB aims to have enough to cover somewhere between 120 per cent and 145 per cent of its outstanding claims. At the end of the year, as you said, it stood at 131 per cent. Last year in the annual report you reported a funding ratio of 133 per cent. That has only gone down by

two per cent, despite all the investment losses which is quite amazing. How did you manage to do that?

**Mr CHALLEN** - It is a bit like a glacier, it moves very slowly. The funding ratio is essentially one very large number divided by another very large number and it takes a lot really in the movements in the numbers to shift them. Year by year, both the investments available and the claims liability are moving as valuations change. Investment assets are shifting because valuations in markets are moving all the time. The claims liability is shifting quite a lot because the interest rates in the market we use to discount a long series of cashflows out - maybe eighty years into the future - for servicing our claims, is shifting a lot.

You can see in the annual report there is a little table on page 4 that shows what has happened to the claims expense over the year to the 30 June 2022. In a movement of \$26 million-worth of revisions over that year, there was \$120 million-worth of change just due to economic factors - inflation rates and the discount rates, the interests from the market -so both those numbers are shifting but we tend to get equilibrating movements. Poor investment returns tend to be associated with higher interest rates. Poor investment returns lower the investment assets number. Higher interest rates lower the claims liability estimates. The two are moving and to describe it as a glacier is probably the best way of thinking of it - it takes quite a lot to move it.

**CHAIR** - I might take you to note 14 regarding outstanding claims which is on page 41. There is also some other information on pages 45 and 46 in the notes to the financials I will refer to.

I notice there is a large increase in the expected nominal value of the future claims from \$1.6 billion to \$2.15 billion, but the discounted value of future claims only increased by \$18 000. A note on page 46 intended to explain this further with itemising changes in actuarial assumptions and changes in economic assumptions, which is touched on. I do not understand what it means, can you explain this note to me further? Further, note 14 effectively, and can you confirm the discount rates used by the actuary each year? As I understand, it is a bond rate. If so, if the rates fall then the future liabilities will rise.

**Mr CHALLEN** - Correct.

**CHAIR** - Would you please give an explanation on this note?

**Mr CHALLEN** - This is actuary's black art but I will do my best. If you look at the 'all claims' down the bottom of the table on page 45, that first line - 'expected future claim payments (inflated/undiscounted)' is an estimate going out into the far future - maybe 80 years or so - of what it will cost us at the cost of the time to meet our claims liabilities. Some of those will be meeting the needs of someone who has been catastrophically injured a few years ago, but 30, 40, 50 years into the future. The reason that number has gone up so much between the two years reflects additional claims and it reflects extra inflation, way out into the future, in terms of the costs of servicing those claims.

The next step is that we discount that to present value so we apply a range of interest rates to that stream of claims going out a long time into the future. You can see in the next line the discount to present value is the amount by which the total number is reduced by the

discounting process. Then we add on a few things like claims handling expenses and a risk margin that takes into account the uncertainty of these numbers.

On page 41, you can see the sequence of interest rates that we use to discount that stream of future payments that reflects our claims liability. Looking at the 2022 column, for instance, you'll see that rather than there being a single interest rate that is used, we have what is basically a yield curve. Year one costs are discounted at 2.54 per cent, and year two costs are 3.43 per cent, and so on, until we get out to about year nine or ten, where we just apply a flat number of 4 per cent. That reflects the actuary's view of what market interest rates are going to be doing over the next few years. While we are on it, you can also see that in the table there are the inflation rates that we use to inflate the numbers out into the distant future.

**CHAIR** - That tells us that nobody has any idea after 10 years.

**Mr CHALLEN** - It is not so much that we do not have any idea. It is that the actuaries tend to adopt long-term assumptions about what markets will do once we get out beyond 10 years. Nobody is really capable of forecasting that far out in the detail that we can in the early years. In part, that reflects the fact that we have a lot of market information about what interest rates will be over the next four, five, six, up to 10 years, because there are lots of instruments in the marketplace that are bought and sold. Those are readily observable interest rates in the market. Beyond 10 years, there are very few instruments out there that you can buy and sell, and where you can, the market has no depth, so you cannot put a lot of reliance on the interest rates.

**CHAIR** - What were the discount rates then?

**Mr CHALLEN** - That column of interest rates are the discount rates.

**CHAIR** - Right, okay. Can you explain how and why the nominal amount of future claims increased so much? Is it just due to inflation, or was there an increase in the cost or complexity of the claims?

**Mr CHALLEN** - There will be a component that is a reassessment of the cost of individual claims. All our claims are reassessed at least annually, and the bigger ones every six months or so. We look at individual claims. We look at what is happening to the client, how they are travelling, whether they are likely to need more or less support. We look at the cost of providing that support. A component of that \$500 000 increase between years is just reassessing the cost of individual claims. But most of it is reflected in that table that we were looking at on page 41 in higher inflation rates out into the future being used to reassess the individual payment years.

**CHAIR** - Just to clarify, then, where people are on the lifetime care arrangements, there is a regular review of their needs? We know that sometimes other treatment or support options can become available that may require additional investment in their care, and that is how it works?

**Mr FERGUSON** - Correct. We look at them claim by claim, each individual claim.

**Mr EDMUNDS** - I was going to ask one about the dividend policy you talked about before. In your experience, how does that benefit you as a board, the predictability is that the main benefit?

**Mr CHALLEN** - If you go back to the time before the current dividend policy was established, we were in the position where we had a few really good investment years. We built up excess capital and there was a process for running us back to what we thought was reasonable by providing a special dividend to government. There was no mechanism if we had a run of very poor investment years, we would have had to put up our hand to government and ask for an injection of capital, which probably would not be terribly popular.

That was a worry to us that there was this asymmetry between what happened when things were going well and what happened when things weren't going well. We asked the Government to consider the dividend policy that we have now because it automatically deals with the situation. If you get a few good years then the dividend payout ratio goes up and we pay higher ordinary dividends and that, over time, brings our capital back to the target range. Equally, if we have two or three bad years and we are dropping down towards the bottom end of our target solvency range, the dividend payout ratio will drop, the dividends we pay will fall accordingly and we will recover capital by the same mechanism.

From the board's point of view, it is a risk mitigation strategy. It provides a mechanism for the Government to be paid higher dividends when things are going well but equally for us to recover our capital when things are not going well, without the Government having to put their hands in their pockets.

**Mr EDMUNDS** - How many years have you had it in place?

**Mr CHALLEN** - Since 2019-20.

**Mr EDMUNDS** - Three or four years. You are finding it works well for all parties?

**Mr CHALLEN** - Yes, I think the Treasurer, who happens to be with us today, is happy and the secretary of Treasury has offered no complaints. It is working very well.

**Mr EDMUNDS** - It is something you could potentially go across other GBEs?

**Mr CHALLEN** - I don't think it has a similar application in other GBEs because -

**CHAIR** - Except maybe TASCORP.

**Mr CHALLEN** - Possibly, but TASCORP has the advantage of the Treasurer's Guarantee on all its liabilities so it doesn't really need much capital, in fact, it hasn't got much capital. We are in a position as an insurance company where we need to be solvent all the time. There has been experience in some other jurisdictions where governments have taken large special dividends from MAIB-like organisations and then a couple of years after they have gotten into trouble and governments have not wanted to stump up additional capital to restore their solvency. I hadn't thought it through but it doesn't immediately jump to mind that it has an application to any other government businesses.

**Mr EDMUNDS** - What is the forecast for this year?

**Mr CHALLEN** - We are at 131 I think, our solvency ratio, so we will still be at 50 per cent but towards the top of the range.

**Mr FERGUSON** - To add to that, it is working, Mr Edmunds, thanks for your question. It is working exactly as intended when the change to the policy was put into effect. If you take a look, because I think you might, at the range of dividends that are paid by government-owned businesses to government, this has one of the most stable profiles going forward in dividend predictions, noting that it will continue to rise and fall based on the funding ratio depending on where it lands in each year.

As this is a business that is managing long-term risk and long-term asset it made so much sense for this business to have a dividend policy which reflects the ability of the business to return to Tasmanians based on long-term trends and what are moderate and small movements over large value of capital investments. It does lend itself to an insurance company which is exactly what MAIB is in deference to other businesses which are more active in trading in their respective -

**CHAIR** - We lost you, minister.

**Mr FERGUSON** - I also saw the screen went blank, so I will pick up where I think it went to.

Just agreeing that it is an appropriate dividend policy for an insurance company - which is what MAIB effectively is - managing long-term risk and based on actuarial evidence about what the long-term provisions need to be, which is rather different from our other government owned businesses which are more active in markets respective to those businesses.

**CHAIR** - I think Luke also wanted to know what was the dividend payment that you were going to pay in December this year?

**Mr CHALLEN** - It is \$30.9 million. The funding ratio is 131.1 as at 30 June just gone. Were it at a 50 per cent dividend rate, it would go above that if we got to 132.5. We are close to it, but haven't got there yet. That \$30.9 million is what you get by taking last year's after-tax profit, smoothing it with the four previous years, and then applying the 50 per cent dividend rate; you get \$30.9 million.

**CHAIR** - With regard to the way you are managing and making sure you have the money you need and are solvent all the time, it is fair to say that overshadowing MAIB like any other organisation like this - an insurer, effectively - is the possible effect of interest rate movements as they affect investment returns and the cost of future liabilities. Particularly in light of the volatility at the moment, has MAIB made any particular change over the last 12 months to adapt to this changing world and put any other systems in place to manage it?

**Mr CHALLEN** - The short answer is no, because we were well positioned for these sorts of circumstances. The issues that we worry about all the time are inflation rates and the impact that will have on the cost of our claims. We are feeling that, at the moment. We are also feeling a bit of pressure that is coming because NDIS has become a big player in the market for the provision of care, which is where most of our costs are. Inflation generally is an issue we are watching and we are concerned about at the moment.

Investment market returns are always an issue for us; but we deal with that by positioning our investment portfolio so that we are well placed to cope with the ups and downs of markets. It is really about a strategic asset allocation that gives us broad coverage of assets and does not put too many eggs in the one basket.

The other issue is interest rates in the market, because they affect our claims liability. There is nothing much we can do about it, it is only a matter of being aware of it. It can be frustrating at times, when things are otherwise going well with the business, to see interest rates falling and your claims liability going up and claims expense wiping out a profit in a year. That is life at the MAIB, and we are very used to that. Right at the moment, the biggest issue we are watching is inflation.

**CHAIR** - You led into the interaction with the NDIS. I am interested in how that works because before NDIS, the care for people with significant disability as a result of a motor vehicle accident was funded, as I understand, through MAIB. How do you work with NDIS and how do you determine who pays for what?

**Mr CHALLEN** - In theory, there is no overlap between the two schemes. We are only liable for people who incur personal injury in motor vehicle incidents, and NDIS doesn't have any responsibility for people who are injured in motor vehicle incidents. The theory is that there is no overlap, there is a clear boundary between us.

The practice is ever so slightly different, because NDIS has, on a few occasions, picked up costs for a handful of our clients who we were not able to fund. For instance, our act only permits us to pay for modifications to people's houses. We can't build a purpose-built house for someone. That's the way the act works. NDIS can build a purpose-built house, and I think we have one case where we weren't able to do something and NDIS came in and gave some additional support - but it's unusual. As I say, it does happen but it's pretty rare and the theory is that there should be no overlap between the schemes.

**Ms LOVELL** - Can I ask a follow-on to that?

**CHAIR** - Yes, sure.

**Ms LOVELL** - So, no overlap, but is there a point where, if somebody is injured in a motor vehicle accident and ends up with an ongoing disability as a result of that injury, does MAIB continue to be liable for supporting that person? There's not a point where it becomes an NDIS responsibility?

**Mr CHALLEN** - No, we cover them for life. Someone who is catastrophically injured in a motor vehicle accident, someone who needs lifetime care, our scheme will cover them until they die. We've quite a number of claimants who we expect to be with us for 60 and 70 years - people who were injured in their late teens or something like that. They might be seriously injured and they might have serious disabilities but nevertheless, they've got good life expectancy, and that's just what we do. We look after them forever.

**Ms LOVELL** - Good. Okay. Thank you.

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**CHAIR** - Just on that point, Don, you said that you can't build purpose-built facilities but you can make modifications to a person's home. I understand there are some residential facilities that some MAIB clients reside in. Can you tell us about how that works?

**Mr CHALLEN** - Yes, although I might get Paul to do that, he's closer to that than me.

**Mr KINGSTON** - We have three purpose-built facilities around the state - one in Hobart, one in Ulverstone and one in Launceston. The first one was built in the early 1990s, so we've had many decades of these facilities. The facilities have several purposes. Included in it is support 24/7, which is outsourced to Anglicare, which has been our partner for over a quarter of a century in running those facilities. That is for those who are catastrophically injured, who - particularly in the past - for whatever reason couldn't or didn't have an option to go back to their home or their community, so they've come to our facility. We deliberately have spare capacity in all of those facilities, in case someone gets into that situation where they can't go home, so we can provide that to them to look after them for life.

Currently, and probably over the last 10 years or so, most people return to their homes. That's a better outcome for them because they're back with their family and their community, getting to do community activities. They have a better quality of life, they have better outcomes physically and mentally, and so that tends to be the preference now. But, we still have these facilities and we have people who have been in there since they were built, so they have been in there already for many decades.

**CHAIR** - Who built the facilities?

**Mr KINGSTON** - MAIB did outsource to builders but we built the facilities. We own them outright and we've spare capacity in them 24/7. We also have a series of independent living units, which are sort of around the outside of that property. They serve several purposes. Sometimes it's for people coming out of hospital. We might be modifying their house, getting them ready to go back to home, so we can allow them to settle out of hospital. It is better to be out of hospital as quickly as they can and get used to living together in one of our independent living units, getting some care, to transition back to home.

We also can use it for clients who are in between homes or are struggling to find accommodation. We have a few clients using those - this is, in effect, rent that we provide them. We can also use them as respite care. A lot of families are looking after their loved ones a lot, it's their choice and what they want to do and we can help them do that; but we can allow them to bring their loved ones into those independent living units and the family can get some respite. They can look at other interests or do other things and not having to be looking after their loved ones all the time.

It fulfils quite a few different purposes for us and, as I said, we have spare capacity because more people are going back to their family homes, which is great.

**CHAIR** - What's the capacity of each of the facilities?

**Mr KINGSTON** - Each of the facilities generally have five or six in that 24/7 care and then we have a range from about four independent living units up to about 10 or 12, depending on the centre and how much land we had around that. They're quite large facilities for now, with the land, and as the chair said, we continue to open them and will in the future, so we have

that capacity to offer any future clients coming in. We fill that capacity - not all of it, but most of it - with clients from Anglicare from other funding sources. It could be workers compensation or NDIS or wherever, where they cannot get facilities, we allow them to have some of their other clients come in, to make it more of a shared facility, so there is more activity and it feels more like a home for our people that are there. Usually, we have those on short-term contracts so that if we happened to have another client that required it, we could bring them into our facility as a priority.

**CHAIR** - Do you charge NDIS or workers compensation for that or how does that work?

**Mr KINGSTON** - No, Anglicare would work that out with the other funding source. The arrangement we have with Anglicare is that our bed day rates are what it costs us per day to look after that. It transitions down as we have more in the home; so, if we have more people in a home, we are actually paying less per bed day rate for everyone, so we get some benefit. We are not directly charging the other client because that is not something that we want to get into. They are funded from elsewhere, and we do not really want to be trying to interfere with that space.

**Mr EDMUNDS** - With NDIS coming in, workforce demand is - do you have any involvement or do you have any feedback from Anglicare about how they are going in making sure that those facilities are appropriately staffed? There is obviously so much demand across disability services.

**Mr KINGSTON** - Workforce pressures on anything in health, attendant care, allied health, hospital is difficult for us, particularly, as you get to regional areas. There is more pressure to find workers. We have a panel of attendant care providers, Anglicare is one. We have other providers on that panel and we work with all of them to try to make sure they have capacity in the regions where we need to get to our clients. The biggest impact for us over recent times was when COVID-19 hit and trying to get to people, because with people in their homes, trying to get care to them was actually quite difficult. We did a lot of work with our providers during that time to help them. We bought PPE or hand sanitiser or worked with them to do telehealth to try to continue services to our clients.

That has faded. Even though COVID-19 is still with us, it is not having the same direct impact on services as it had 12 or 18 months ago. There are pressures; it probably comes back to client choice. In some regions, we do not have a lot of choice. They have to go with which provider has services in that area, but that is something that we are continuing work with, so with our panel, we are just about to establish our panel for the next four to eight years.

Our new panel starts next week. We will be increasing our panel numbers from three providers to five. We have just gone out to have to tender to do that. One of the things we are doing there is paying for accreditation for those providers who were not already accredited to the levels that we wanted, not so much NDIS, but some other industry accreditation to get some of those small players into the field and to be set up to be able to provide care. That will actually support the whole industry, not just us, but we see that as a good step to try to keep the industry alive so we have someone to call on when we do need to get care to people.

Our cancellations have not dramatically increased. Occasionally we get cancelled shifts for all sorts of reasons. Our service providers have done a fantastic job in keeping service to clients over the last couple of years, so, no major issue, but just like everyone at the moment,



trying to find workers consistently and in regional areas is an ongoing battle that we will continue to work with our providers to provide to active clients.

**Mr EDMUNDS** - The facilities themselves, are they quarantined from any kind of potential sale down the road? How are they protected to make sure, or is it just that the demands on MAIB mean that they will always have clientele?

**Mr CHALLEN** - They are on our balance sheet and we need them so there is no prospect of them being sold. It is not something we would contemplate.

**Mr KINGSTON** - It provides us with too much flexibility for care and options for people, so we have deliberately kept capacity spare - well not deliberately, but we have not cut back when we did have spare capacity. We have spare land around each of those facilities and we are holding that as well. In fact, we are looking at committing to a large capital upgrade of all three facilities. We are in the process of design to upgrade each of the three facilities. These are not small upgrades, we are talking about trying to completely redesign them to modern, contemporary care.

In some cases, they were built two or three decades ago. We are actually looking to do the opposite, which is invest more in them and have even more and better, and probably more flexibility. Those things I talked about with the independent living units, probably utilising them more for families who are in the community, finding different ways of helping people utilise those facilities going forward.

**CHAIR** - In terms of the digital connectivity for people living in these facilities, particularly during COVID-19 and needing to have some telehealth type arrangement, is that already in place, or is this part of the upgrade?

**Mr KINGSTON** - It will primarily be part of the upgrade. We managed to keep a carer in those facilities during COVID-19. The attendant care providers were largely there with the client. They sacrificed quite a lot with their own personal life to make sure we kept care, but one core part of the new capital upgrade is to find different ways of using technology to help people help themselves, not just in those facilities. We will definitely upgrade greater technology use to those facilities.

The core focus will be on helping people have as much independence as they can. It will be utilising technology within the room, so people can take care of their own life and have a bit of independence. It is not to save costs of attendant care - that may well occur - but it is to give them that level of independence. We are looking to use that in people's homes as well as we prove that. Particularly in regional areas, we might be able to use technology to help people who might have to have somebody come for an hour or so to help them to remember to take tablets, or to get into a routine. There is a lot of technology nowadays where you can do that automatically and remotely to help the person help themselves, so they can get visual reminders from lights and sounds and other things to help them manage their own lives. That's the new technology we will be looking to bring into facilities and then potentially rollout to our clients who are living in their homes.

**CHAIR** - Because of the sensitive nature of some of the data that you hold, what particular attention are you paying to cybersecurity?

**Mr KINGSTON** - Cybersecurity is a core focus for us, as it is for anyone who holds personal information. We have to hold personal information of our clients to be able to help them get medical care. It's not something we can take and then remove because we are constantly dealing with their medical practitioners and what services they need. So, over the last 12 to 18 months, or probably 18 months ago, we had a series of tests done to see if people could get into our systems, by external experts -

**CHAIR** - Quite a few hackers?

**Mr KINGSTON** - Yes, it must be a good money. A penetration test is what it is called. Also, through our internal audit we had an extensive audit of our systems and, as it always does, that identified a range of things we could do better. There are always things in cybersecurity that you can do better. There's no perfect answer. So, for 12 to 18 months we've been investing heavily in redesigning the access to our systems. We rely on Networking Tasmania as part of the government platform for the external component, but everything inside we manage. We've put in place significant changes to our systems regarding patching, operating systems around access and passwords as well as physical security.

**CHAIR** - Two-stage authentication?

**Mr KINGSTON** - Multi-factor authentication is coming into our system. So, all those steps we need to be doing we're rolling through and we've got a large works program that reports regularly through to our audit committee and the board on the steps that we want to do. There are hundreds of steps to do and we're prioritising those as the technical staff and the consultants can tell us which is currently the most important to do. We work through those priorities and then go through the next ones, which is constantly changing.

The board has allocated to us significantly more money for software solutions to monitor. We are just in the process of putting in a brand new system which will monitor threats and is monitored by an external body that does this for many organisations around the world. It will tell us where we're getting pushed and prodded and then recommendations about what we do to protect that. I would say we're maturing. We are definitely not at the top end, but for a small organisation I think we do reasonably well and we are always looking for that next thing to do. As you say, we have a lot of personal information of Tasmanians to protect.

**CHAIR** - Are you aware of any data breaches?

**Mr KINGSTON** - We're not aware of any data breaches, no.

**CHAIR** - Are you aware of any attempts?

**Mr KINGSTON** - The penetration testing and the most recent software put in gives us ideas of people who are trying to do things like password entering. That can be a combination of maybe somebody forgetting their password and re-entering it, but also - and the numbers show us it's probably more than just inadvertent passwords. There is activity out there now that we'll be trying and we have seen some. When we get that we then try to close that access point off and go to the next one. There has been no breach that we are aware of and nothing that has got close, as far as we know. The reality is they are out there all the time, trying, and as we see issues, as they get identified by experts in the field - we are a very small organisation, 45 staff, so we're not going to hold that expertise in-house. However, by getting those

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consultants to do that monitoring for us we should be able to hopefully get in front of most of them over time.

**CHAIR** - Does anyone else have a question of other areas?

**Ms LOVELL** - I would like to go into another area, yes, thanks Chair. Noting that MAIB has a significant focus on road safety and invests in this area in various projects, does the MAIB board have a view on the introduction of mobile speed enforcement cameras in the state?

**Mr FERGUSON** - Thank you for that question, which is an important one, if I can begin, and Don can jump in. We are actually on one page here, because it has been a sense of joint commitment and roles here.

I would like to commend the MAIB for its continued support of the Road Safety Advisory Council. That is the central trusted source of road safety advice to Government. Speed is a factor in nearly a third of crashes as one of the fatal five, it is the most prominent one and so, the MAIB as a member of the Road Safety Advisory Council has guided Government to get on with the introduction of the new automated traffic enforcement cameras. Noting Ms Lovell, they will enforce not just speed but also a range of other dangerous behaviours. They will be there to complement the fixed cameras which will continue to be in place. I invite Don and Paul if you would like to discuss the MAIB's role, including the resourcing of that.

**Mr CHALLEN** - Paul sits on RSAC and it might be most efficient if he takes this.

**Mr KINGSTON** - The reintroduction of mobile speed cameras in Tasmania, as the minister has said is making new multi-technology focused and able to in the future do seatbelt use, mobile phone use, automatic number plate recognition which helps us with uninsured vehicles, has been a joint effort of police, state growth and the Road Safety Advisory Council.

I have sat on the steering committee with police and State Growth to push those changes in. That new technology, we believe, will have a significant impact on the moderation of speed around the Tasmanian road network. If you look at the Tasmanian road network speed monitoring and it is not a full monitoring of the road system but they do have a lot of counters with State Growth out there that give a bit of an idea. It has been increasing, by about half to one kilometre each year. The road safety experts will tell you that for every one-kilometre increase of the operation of the speed cross the road network, you will get about a 4 per cent increase in road casualty. That is just the normal behaviour you would expect.

The perception of getting caught, under surveys done through the Road Safety Advisory Council we fund, have shown that people's perception of getting caught has decreased as we only had fixed cameras there for a while. The reintroduction of this new technology will make a big impact and will hopefully slow everybody down. You have normal road users doing normal speed, and the risk takers doing ridiculous speeds are still going to do what they do. It is everyday motorists just being a little bit slower. If we can reduce that by having the cameras out there anywhere anytime - there are over 300 sites assessed for placement of those mobile speed cameras - people believe they will get caught anywhere, they will slow down, and we will get fewer accidents, and fewer accidents means fewer claims for us, which is what we want.

It has been a big introduction with a lot of changes to systems for police to get that through. That is why there was quite a bit of work and now that there is in place, we are fully supportive through RSAC and working with the minister to identify future cameras and that future technology use which hopefully, will be in trial sometime next year. Again, people distraction has increased as a major factor in road crashes and if we can get people believing they will be caught using their mobile cameras, mobile phones and not wearing their seatbelts - which isn't the biggest issue, but is creeping up in some of the fatalities.

**CHAIR** - I find it really weird, it is such a no-brainer.

**Mr KINGSTON** - It is strange, in Queensland where they have introduced this technology just before us, they actually when they first put in the seatbelt usage, they had footage of people doing up their seatbelt behind their back and then sitting on it so it would not beep. A lot of effort to not wear your seatbelt which will save your life if you're in a crash, or will give you a very good chance of saving your life in a crash. We are hopeful that behaviour will also be hit and we see that as the next level to try to address this year which in terms of fatalities has been a horror year for Tasmanians.

The reality is that serious injuries and fatalities combined is only very slightly above the long-term average. We have just had this unfortunate shift between serious injuries and fatalities, but we want to bring those down and are fully committed to the continuation of the roll-out of those cameras over the coming years.

**Mr EDMUNDS** - On the higher statistics this year, how is that affecting you?

**Mr KINGSTON** - It has not had a significant impact on us, in fact, our claims have dropped. What we are experiencing over the long-term is, generally, the number of crashes is slightly declining. The last few years it has plateaued. The number of personal injuries occurring from crashes have dropped. The number of serious injuries from personal injuries have also dropped. Our claim frequency is dropping significantly. For every thousand vehicles on the road in 2021, we had 3.8 claims. In 2021-22, it was down to 3.3. That is a pretty significant drop when you are down at those figures.

This year, to date, at the end of September, we are at 3.2. There are three reasons for that. One is, the number of registered vehicles continues to grow, so we get a little bit of a drop. The absolute number of claims has dropped, as the minister noted in his introduction, we had 240 fewer claims from 2021 to 2021-22. That is not COVID-19 impacted, that is an absolute drop in claim numbers, which is great. It helps us not have to look after as many injured Tasmanians. Then the third part of it is - safer roads and safer cars. With cars, we still have the oldest average age vehicle fleet in Australia. As new cars are coming in, we are getting a bigger kick up in technology savings compared to some of the other states. The significant investment in roads, as can be identified particularly on the Midland Highway between Launceston and Hobart.

**CHAIR** - You cannot go over 60 kilometres per hour for nearly all of it, so crashes are pretty non-serious for most.

**Mr KINGSTON** - It is a good road safety measure, just keep the roadworks on the road. Those improvements are making even fewer crashes. We are still having crashes, but less personal injury and that is continuing to go down despite - there is no going past the number of

fatalities this year is just a horror for the people affected - however, as I said, the total number is sort of steady of serious injuries and fatalities.

**Mr CHALLEN** - The mobile speed cameras and enforcement activity generally is probably the area where we can make the most difference now. We have seen a lot of work on the roads to improve the safety of being on the roads and what is going on in the Midland Highway now will have a long-term benefit. Just having the traffic divided down the middle will pay off huge dividends. As Paul says, the big changes in the safety of cars that occurred a decade or so ago, airbags and those sorts of things, are still working their way through the Tasmanian fleet. We are going to see some improvements from that into the future. It is really about what drivers do when they are behind the wheel. How aggressively they drive, their attitude to other road users, whether they observe speed limits and drink driving restrictions. Whether they put their seatbelt on. Whether they text underneath the dash board as they are driving along.

**CHAIR** - Or like this when they are driving along.

**Mr CHALLEN** - We have all seen a lot of that and that is the area where we can make the most difference. This modern technology of these new mobile cameras has the potential to make a big difference. I think we will see it in the surveys. As Paul referred earlier, to the survey results of people's expectations about how likely they are to get caught speeding, for instance. We want to see that number going up. We want to see people thinking the chances of getting caught are higher and higher over time. There is a big contrast between those numbers in Tasmania and in Victoria, for instance. In Victoria, you do not see speeding on the roads much because everybody has an expectation that if they do, they will get caught. We have not yet got ourselves in a position where we have that expectation in Tasmania. We can make a big difference just with this new technology.

**CHAIR** - Drivers in Victoria tend to let each other in too, when they are merging which is a bit of a problem for Tasmanian drivers, it seems.

**Mr CHALLEN** - It is a culture thing.

**CHAIR** - It is a culture thing. Can I just ask what the average cost of a death is, as opposed to an average cost of a lifelong claim? I know that depends on the age of the person.

**Mr CHALLEN** - I am sorry to tell you, but they are cheap. Deaths do not cost much at all. We pay funeral benefits and occasionally -

**Mr KINGSTON** - Maybe, dependencies. We do not have an actual specific cost and we do not measure it specifically, because it is not something we have ever got into. We are not structured. We pay what we need to, and are not worried about -

**CHAIR** - What do you cover in the death of a person?

**Mr KINGSTON** - It is funeral benefits, which is about \$11 500 or \$12 000 is the maximum we pay. Then, sometimes dependency, depending on the relationship with family members that are left behind. That can be probably \$50 000 to \$60 000. There is not a lot of money in that. The person can bring a one-off claim under a different act - the Fatal Accidents Act 1934 where they can claim for dependencies and lost income. We are talking under

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\$100 000, for most. Our most expensive lifetime care claim - which, at the moment, requires two 24/7 attendant care workers plus nurse support - discounted and inflated, will probably cost us about \$27 million. In actual terms, it is probably \$60-80 million. That is the sort of range. Even with the less catastrophically injured, we are talking into the millions to look after. Financially, it is not generally a big impost for us, but obviously the impact on the family is significant.

**CHAIR** - The reason I ask is that we have seen 48 deaths in the 2021-22 year. I am not sure, this is in a financial year, not a calendar year. This calendar year has been an absolute shocker, as you have said, and it is not over yet. We may see in this current financial year, sadly, an even higher number there.

The reason I asked about the claims cost is that sadly, deaths do not cost the scheme a lot. They cost the families enormously. Do you have any insight as to why we are seeing more deaths, particularly when you look at the Midland Highway? You can't speed on that in most parts at the moment; not that you should, anyway.

**Mr CHALLEN** - There haven't been any recent incidents on the Midland Highway.

**CHAIR** - No. Mostly because there's a very restricted speed there. But do you do work on where the fatalities occur? I also want to extend that question to other vehicles like ATVs. I noticed some commentary about ATVs in your annual report. Is an ATV crash considered where they are not registered and/or if you have a registered vehicle on an unregistered road - like a beach or something like that - are they covered? I am interested in the amount of coverage you have.

**Mr FERGUSON** - I will ask Mr Kingston to respond, but just for the benefit of the record, and not wanting to pull anybody up, but it would be worth mentioning we have had, as of recent days, 48 people die on Tasmanian roads.

I fully and respectfully appreciate nobody is making light of roadworks on the Midland Highway; but we actually have had a death on the Midland Highway this year, and it was in a roadworks zone. It will, no doubt, be investigated and reported on at a later time. But it does, I think, reinforce the importance of why, as frustrating as those roadworks are - and it has been reflected through our hearing - those speed signs and those hazard signs are there for a reason. It is unfortunate that there is, perhaps, some belief out there that the roadworks are sort of an unfair inconvenience.

I know nobody here has said that today, but I wanted to bring that into the conversation for clarity of the record as well, noting that it would not be that long ago that many of us would recall more or less week after week, we had the head-on collisions on the Midland Highway, which was one of the leading causes, or one of the leading circumstances, for people dying on Tasmanian roads.

We are having a terrible year. The last time I saw the figures, we were something of the order of more than 60 per cent up on fatalities on the five-year average. It is a very significant outlier year, this year, based on trends. That is why our combined efforts are very much focused on reducing people's decisions that they are making which are leading to the 'fatal five'. Most crashes in Tasmania, are occurring through decisions made behind the wheel rather than the

infrastructure itself, or the weather, or some other freak kind of event. I will mention that, and pass back to Paul.

**Mr KINGSTON** - Thank you minister. To answer your last question first, in terms of ATVs - ATVs can be registered with us, they can be registered or they can just be insured. If you are on a farm, you can just pay an insurance amount, which is obviously smaller, and that means you are covered with us. If it is insured - we cover, we respond. We respond anywhere in Tasmania; in fact, anywhere in Australia. Private road, public road, it doesn't matter to us. Once you're registered, you're covered with us.

**CHAIR** - That's the vehicle registration, as opposed to the location of the incident?

**Mr KINGSTON** - Correct. Even with an uninsured vehicle with a third party - so, not the driver or owner is involved - we still respond. It's only maybe the owner or the driver, if they knew that it was unregistered, they'd be the only ones we wouldn't cover. We do cover quite a bit.

With ATVs, if they happen on farms, the workers compensation policy would respond first and they may well have recovery rights against us. We do not get involved in every single ATV accident.

**CHAIR** - Where an ATV crash occurs on a road - and, sadly, we have had a number of those over the years which have resulted in fatalities and serious injuries on roads, not on farms, and even with under-age drivers - how is that dealt with?

**Mr KINGSTON** - Again, if a workers compensation policy does apply, normally on a road - it depends on what they are doing but we would respond - and we have. Workers compensation claims are pretty high with ATVs, so a lot of them do go there. It's surprising we haven't seen a massive increase in that, over time.

The numbers are very small; you are talking about a handful, so in a year it can look a little bit different to others. But, leading into the fatalities this year, we don't do road safety policy, that is in the Department of State Growth; but through my role on RSAC, we do look at this. They have looked very heavily at the fatalities this year and there is no specific, unusual trend that stands out.

Our numbers are very small - 48 is still way too many, it is 48 too many - but they are small in a statistical or trend sense, so you do get these ups and downs; and, really, what we have seen is that every type of accident has occurred. Some years we won't have pedestrian fatalities, some years we won't have ATV fatalities; but we have had almost every type this year. There are no demographics, vehicle types, particular roads, particular infringements - there is nothing that stands out as being unusual proportionate to what we would normally have.

**CHAIR** - You cannot target a particular area, is what you are saying?

**Mr KINGSTON** - Nothing seems to be coming up. Tasmania Police has been responding. You have seen them in the media every time we have had a fatality, they try to roll out with an enforcement - if it was about speed or mobile phone use, they try to do that to make the point, but it has been all different types of causes and areas, unfortunately, this year.

**CHAIR** - When you have an ATV incident on a public road that's not related to work, does that ATV need to be registered or insured to be covered?

**Mr KINGSTON** - Yes.

**CHAIR** - If it was one that was not registered or insured then they are not covered?

**Mr KINGSTON** - Not the driver or owner; but if there is another party, a passenger or someone else who is injured, we would still respond for that other passenger. With that, the third-party nature of our scheme still picks it up. The only person who wouldn't be is the owner and/or the driver, if the driver should have known it was not registered; otherwise we will cover everybody else injured.

**Mr CHALLEN** - An unregistered ATV shouldn't be on a public road, obviously.

**CHAIR** - We know that, Don. But, you're not from the country. Moving on to page 17, it says 'MAIB has approximately 40.5 FTEs', so, a fairly small workforce:

76% of whom are female. Twelve staff members work part time using ongoing flexible work arrangements to help them achieve work/life balance and accommodate family commitments.

It is a feminised workforce, which is a bit unusual, even in this field I would have thought. However, it's great to see that there are a lot of women working there and some flexible work arrangements. Do you have an organisational chart that shows where these women fit, with regard to dealing with the gender pay gap and that sort of thing?

**Mr KINGSTON** - We do have an organisational chart but I can tell you what it is; it is pretty easy to do. It is pretty well split throughout the organisation. Our executive team - which is four - is 50 per cent male and 50 per cent female. Our leadership team, which brings in some of the senior managers, is eight, and that is split four and four as well. On the board, over the last few years, we either have had three females, two males or the other way around, for the last half a dozen years. It is fairly well split throughout the organisation.

Most of our teams are between five and eight people and it is pretty well split. In fact, when we get into claims areas, that is where it is more predominantly female; and that is not unusual in insurance claims. We don't have many insurers based in Tasmania of that size, but that's not unusual for the claim side. Generally, throughout the business it is very evenly split all the way through. I can only think of one team that is probably male-dominated and that is the IT team which is fairly traditional and we only have two internal staff, the rest are contractors who we have in.

**CHAIR** - Do you have any women working in your IT team?

**Mr KINGSTON** - No, not at present. We have had people in the past work very closely with IT on the reporting but we have two IT staff members - both happen to be male.

**CHAIR** - Only two?



**Mr KINGSTON** - Yes, two.

**CHAIR** - In terms of your flexible work arrangements, can you describe a bit more how that works and what your flexibility measures are, and a bit about your parental leave scheme?

**Mr KINGSTON** - Flexibility and workers have been helped along with COVID-19, obviously, it forced us to be more flexible where we work and how we work. As soon as COVID-19 hit, we immediately had staff at home. We only had five staff who were mobile and had laptops at the start and within three weeks we had everyone set up at home using our IT equipment -not their own. We helped them set up in their home in terms of their desk set-up and their ergonomic assessment. We have continued that and we still are in that state - we have about 60-70 per cent in the office at any one time and 30 per cent working at home on a rotation.

For many years, we have been very supportive of parents - usually mothers - having flexible arrangements to work, to go part-time. That is why we have such a large number who are part-time, but we do have some males who are also part-time. Coming back from maternity leave we generally allow the staff member to choose what they want and they can build back to full-time over that five years. That is allowed at a national employment standard, but we are very active in allowing them to do that.

We have several clauses in our work arrangements where we have compassionate or special leave to help people manage through things. We have had domestic violence leave in our EBA for many years - well before it was required in national employment standards.

Parental leave - again, we have had that in our arrangements for some time. Staff can access the government-funded scheme and over and above that. Depending on how long they have been with us, they can get up to 13 weeks of paid leave on top of that and we allow them to take up to 52 weeks made up of leave without pay to take a full year off. There are some extra arrangements if they have some particular needs and we can extend that by another two months. We are very flexible on how they come back to the workforce - we want them to come back and work as they can. COVID-19, obviously, has enabled us to do that better than we did in the past. Some of those part-time staff can extend or contract their hours and work from home where they need some flexibility looking after young ones or sick family members.

**CHAIR** - I will go to employment wellbeing, acknowledging that, particularly some of your claims assessors will be dealing with some pretty confronting information and quite distressed families. How do you look after your people who are particularly exposed to that potentially vicarious trauma?

**Mr KINGSTON** - Yes, it is an impact. Our staff are dealing with people at their lowest and that definitely has an impact on them over time as they are dealing with hundreds of clients over a period. For many years - since I have been there - we have been running mental wellness or resilience courses to help our staff. The most recent range was presented by Road Trauma Support Tasmania which we actually fund. We have funded for their existence. They are a great organisation that helped general Tasmanians to deal with road casualty. They have come in and helped staff, not only work out how to help clients during those situations, but also to recognise for themselves triggers that might arise in dealing with stress and build-up of what they have to see and deal with clients, so we have run those courses.

Very recently, we got very good feedback from staff that it assisted them.

Where we have had staff, who have had some issues, it does not matter if it is from work or at home. We have our normal EAP services, but in a few cases, we have funded additional counselling well beyond that to help people get themselves into order and to find a way through. We are very cognisant that the type of work they do can be quite challenging over times and one of the reasons why those staff work only standard work hours; we do not usually use overtime. They are not there outside of 9-5, Monday to Friday. It is also why we have moved to a more team environment over the last eight years, so as a team they are handling claims and it gives them a chance to work with the people next to them, just to take that stress off, particularly after confronting call for whatever reason that might be, they are with their staff. In fact, we refitted out our office just before COVID-19 hit, to have the teams closer together and more open so they could just do that to de-stress. We find that is one of the best things to do to sort of share that experience and just be able to find a way in dealing with that immediate issue.

**Mr CHALLEN** - All that said, the feedback I get from the staff is they find it very rewarding work. They are helping people who are in difficult times of their lives. When you help someone put their life back together and get back to something that looks like normal, there is a big payoff, in terms of feeling good about it. You can see that in the longevity of our staff. Our average employment period for our staff is over 10 years and we have 19 of those 45 people who have been with us for more than 10 years.

**CHAIR** - They are in the claims area?

**Mr KINGSTON** - Indeed.

**Mr CHALLEN** - Predominantly.

**CHAIR** - That is a positive thing. I do not need to know all the details, you should not even probably have it yourself but the number of employees that have actually accessed the EAP?

**Mr KINGSTON** - I think last year it was a couple and the year before - during COVID-19, I think it got up to about 8 or so a year. It ranges from probably about 2 to about 8 over the last few years. As I said, we have provided some specific counselling people in certain areas. We have reissued our EAP services and we actually had the EAP provider do training to try to get people to engage. Sometimes EAP can be seen as just a light touch for counselling if someone's really struggling and from that training run for all staff last week, people had a much better understanding of what they could provide. We are hopeful that where they need to, they will access that more, but it is a small number - around that 10 per cent would be an average - of staff each year accessing it. We do not know who, obviously, just the numbers.

**CHAIR** - No, I know. I hope you do not know who.

**Mr KINGSTON** - No.

**CHAIR** - I would be concerned if you did know who.

**Mr DUIGAN** - We touched on it briefly earlier with the ATVs, but on the issue of unregistered and thereby uninsured vehicles, presumably there are a few ATVs out on the road, but there are a lot of cars. What is the role MAIB has in ensuring further compliance with registration?

**Mr FERGUSON** - Thanks, Chair and Mr Duigan. I will ask Mr Kingston to jump in. It is actually an area of concern. I know we did discuss it earlier, because if the person is driving an unregistered car, it also means they are driving an uninsured car. For the purposes of the medical benefits of people in the vehicle, in particular as Mr Kingston outlined, the owner of the vehicle or the driver if they ought to have known that it was not registered. There are allowances for other users, which I do not think you are asking us to explore, but it is a concern because there is no grace period. It is an insurance product and important we do reinforce the message to Tasmanians: if the car is not registered, for whatever reason - good or not good, or if the person is not able to afford the registration, even though we have moved now to allow people to pay quarterly - then actually the car should not be driven at all because it is a danger. To the driver and to other road users.

In respect of your question, I will ask Paul to elaborate. There is quite a successful partnership that now exists between MAIB and with my other hat on as Minister for Infrastructure and Transport in the Department of State Growth to try to curb down the number of vehicles that are on the road (a) illegally and (b) not being insured. Under this partnership, MAIB is helping State Growth to fund the provision of equipment in the transport inspector vehicles you may occasionally see driving around the roads and highways. While they are not intended to be a replacement for police because they are providing an enforcement role for the transport sector on road, those cameras are in place.

Also, to confirm that the new cameras that we are rolling out, the eight that are currently on the road - which is expected to increase to 16 in the future - will also have the capability of inspecting vehicles that are moving past those cameras and being able to quickly assess if they are being driven without being registered legally and properly. They are a couple of different ways that we are doing this.

Increasingly, State Growth now is sending, not just letters, but SMS's to registered owners of vehicles so that they can be in no doubt that they need to be mindful of the status of their vehicle. Pleasingly, I am advised by State Growth that when a person does receive that information that they have been detected driving an unregistered vehicle, 70 per cent of them get re-registered. That is a good outcome but there is probably room for improvement.

Paul, if you have anything further to add from your point of view. I didn't know the dollar amount that MAIB provides to State Growth for that partnership.

**Mr KINGSTON** - We provide just under \$200 000 a year, it was a \$195 000 in 2021-22 and when this first started in 2000 the detections of unregistered were over 3 per cent of the detections for unregistered and now it is consistently running well under 1 per cent. As the minister said, we get well over 70 per cent of those, largely, once you are told because you have just forgotten to register. We want them in the system, the Motor Registry wants them registered, I want them insured, I want to cover them if they have an accident. We are getting more and more in and the automatic number plate recognition software of the new automated transport traffic cameras will significantly increase the number of detections.

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At the moment the transport inspectors are getting several hundred thousand detections a year. The automatic number plate numbers will significantly increase that and it gives us greater reach to catch those people. The vast majority want to be registered; they have just forgotten so it helps them get to there.

**CHAIR** - Not having the sticker is often seen as a factor in that, it has been like that for some time now.

**Mr FERGUSON** - Some of us still miss the stickers. The move to quarterly payments genuinely has assisted. The feedback from the community sector has been exactly that: that more people are able to manage their cash at home, at least to be able to keep their car on the road for the next three months.

**CHAIR** - Any final questions for anyone? Any closing comment from you, minister?

**Mr FERGUSON** - Thank you for the time today. I don't think we took any questions on notice, did we?

**CHAIR** - No.

**Mr FERGUSON** - Thank you and a good discussion. In particular thanks to Mr Challen, I don't know if he will shed a tear for having completed 12 GBE scrutiny sessions but I think he mostly enjoyed the House of Assembly ones. This year will have been as enjoyable as any other.

**CHAIR** - I nice way to finish for him.

**Mr FERGUSON** - We wish him well for the future.

**CHAIR** - I acknowledge Mr Challen's long participation in this place in various roles across the table from me, I know that. Thank you for your time today and we will close the hearing.

**The committee suspended at 12.44 p.m.**