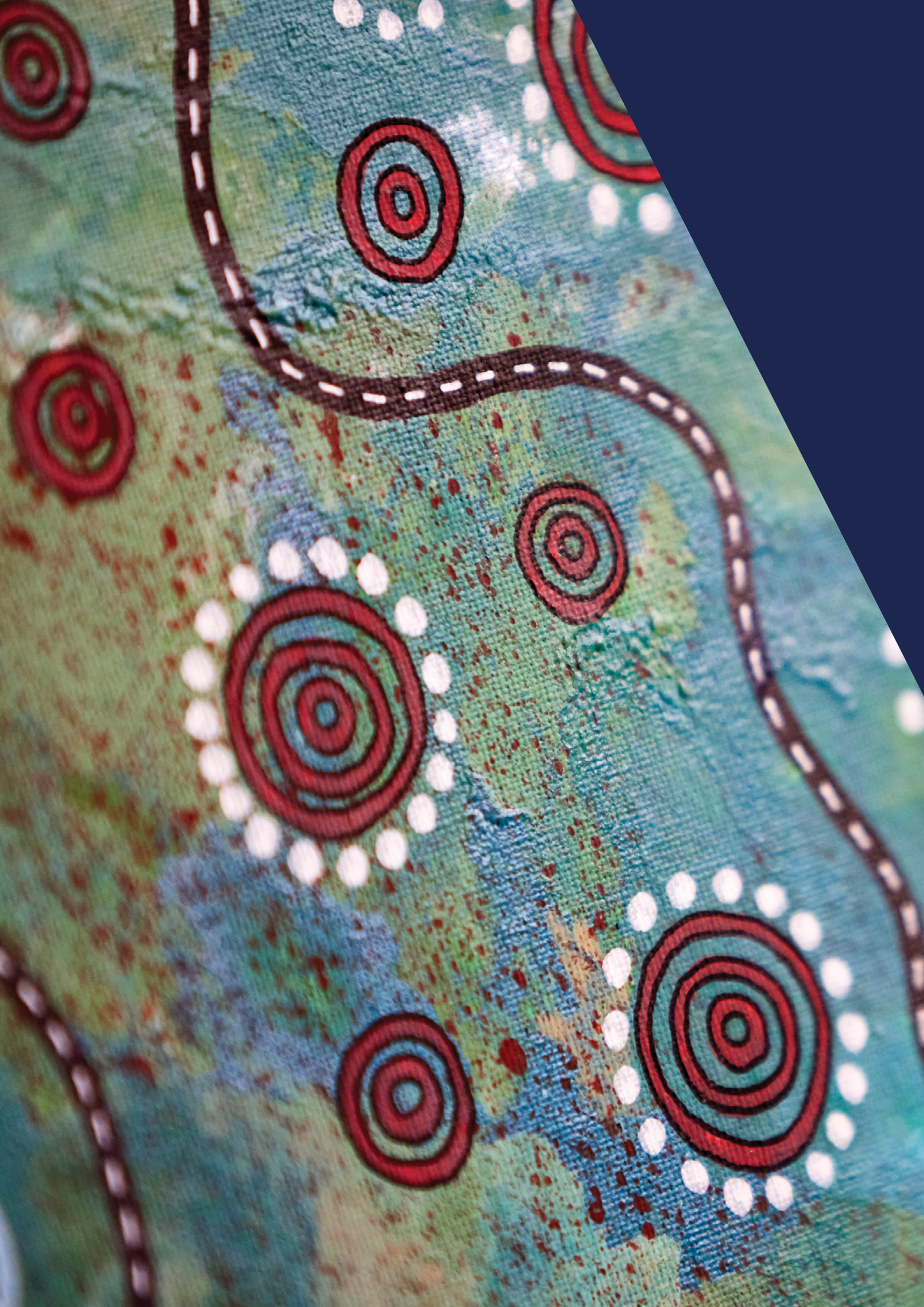




Annual Report

2021-2022





Acknowledgement of Country

The Transport Accident Commission acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land. We pay respect to Elders past, present and future, and all Aboriginal and Torres Strait Islander people that call Victoria home today.

We recognise and respect their culture, beliefs, and connection to Country, with traditions and customs that have existed for over 60,000 years, and are privileged to share the lands we live on and operate in. We respect this land too – and our purpose is to care for the lives of everyone who travels on Victorian roads.



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Letter from the Chair to the Ministers

The Honourable Ben Carroll MP
Minister for Roads and Road Safety

Level 20, 1 Spring Street
Melbourne Vic 3000

The Honourable Danny Pearson MP
Assistant Treasurer

Level 5, Macarthur Street
East Melbourne Vic 3002

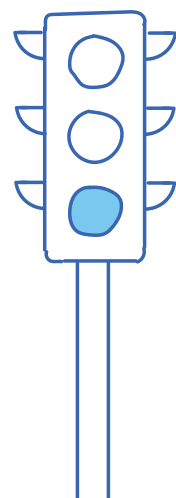
September 2022

Dear Ministers

I am pleased to submit the 36th Annual Report of the Transport Accident Commission for presentation to Parliament pursuant to Part 7 of the Financial Management Act 1994.



Greg Wilson
CHAIR



Board and Executive Management

Minister For Roads and Road Safety

Ben Carroll MP

Assistant Treasurer

Danny Pearson MP

Chair

Greg Wilson

Appointed March 2019

Re-appointed November 2020

Chief Executive Officer

Joe Calafiore

Board Of Management

Jane Brockington

Appointed October 2017

Re-appointed November 2020

James Flintoft

Appointed July 2019

David Heath

Appointed February 2017

Re-appointed February 2020

Louisa Hudson

Appointed August 2016

Reappointed August 2019

End of term June 2022

Julia Mason

Appointed August 2016

Reappointed August 2019

End of term June 2022

Sharon McCrohan

Appointed December 2019

John Merritt

Appointed October 2018

Re-appointed October 2021

Dr Samantha Smith

Appointed February 2017

Re-appointed February 2020

Executive Leadership Team

Jane Barker

Head, People and Culture

Liz Cairns

Head, Strategy, Sectors and Research

Samantha Cockfield

Head, Road Safety

Tony Dudley

Chief Financial Officer,
Head, Business Enablement

Andrew Holt

Chief Risk Officer

Brad Kemp

Head, Information Technology
Shared Solutions

Jason Lardelli

Head, Scheme Performance

Natalie McColl

Head, Rapid Recovery

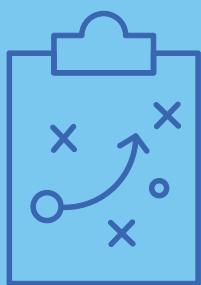
Damian Poel

Head, Complex Recovery
and Serious Injury

Joanne Whyte

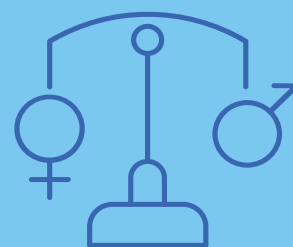
Head, Marketing and
Communications

Highlights

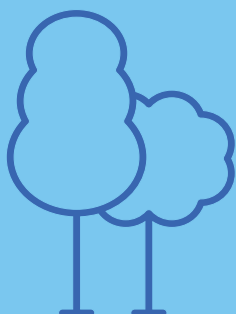


Launched our TAC 2025
Corporate Strategy

\$82m



Launched our first Gender
Equality Action Plan



More than 20,000 paper remittances
each month were replaced by
digital invoicing

\$1.54b



Paid to get our clients'
lives back on track

Built our new data warehouse – the
first phase of a major transformation

43,018



80%

Clients supported with
accident claims

Launched our first
Reconciliation Action Plan

Staff Engagement Score
in our annual Employee Opinion
Survey – well above the Australian
National Norm

839

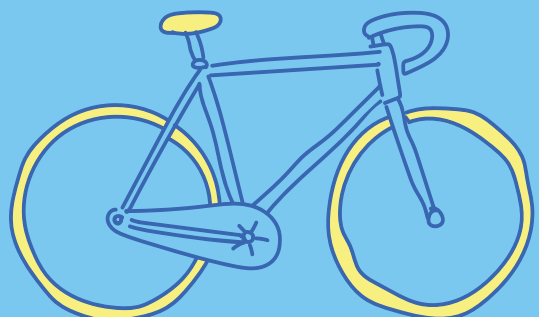


1,286

Of our most seriously injured
clients returned to work

Guided key reforms to Victoria's
Transport Accident Act, to make
it fairer for more road users

Common Law settlements
under our world-leading
legal protocols



From our Chair and CEO

Together, we know how to plan for change.

We're an analytical, forward-thinking and research-driven organisation. We're also willing to take risks and make bold decisions.

Faced with the global pandemic, we were well-placed to tackle the rapid changes head on, and to embrace the unique opportunities to improve the way we work and the services we provide.

Over the past year, we've emerged a stronger and more resilient organisation – ready to continue our journey to become a world-leading social insurer and road safety advocate.

Looking back at a year of highlights

This annual report showcases our significant milestones and outcomes over the 2021/22 financial year – from the lives we've saved, to the lives we've helped get back on track. It also demonstrates our commitment to better social and economic outcomes for our clients, our community and our people.

We recorded an operating surplus of \$1,508 million, and our Performance From Insurance Operations (PFIO) was \$942 million. In the current environment, these are excellent results. This strong financial outcome is due to our focus on effective accident prevention, delivering client outcomes and focusing on administrative efficiencies.

We launched our TAC 2025 Corporate Strategy

This important document will guide much of our decision-making over the next four years. It will help us be clear and intentional in how we target our efforts and resources to achieve our goals.

Shaped by feedback from clients, health care providers, road safety partners and other stakeholders, it puts forward a new corporate vision, new mission and, for the

first time, a new purpose: *To care for the lives of everyone who travels on Victoria's roads.* Importantly, it recommit us to halving road deaths and to progressively reduce serious injuries by 2030 – in line with the Victorian Road Safety Strategy 2021 – 2030.

TAC 2025 Strategy will help our organisation evolve to be more effective and efficient in responding to our clients' needs and the expectations of the Victorian community. The initiatives will give our clients greater say in their own recovery decision-making, while ensuring the scheme can sustainably withstand economic challenges to come.

We took important steps towards equality

We committed to doing more to create an inclusive community, both within and outside our workplace. Through our new Reconciliation Action Plan (RAP), we'll play a meaningful part in raising awareness of our Indigenous history and tackling inequalities that still exist. In our first Gender Equality Action Plan, we've established a framework for understanding and improving gender equality across our organisation.

Together, these milestone documents form part of a broader body of work to build diversity, equity and inclusion into everything we do.

ROAD SAFETY

Sadly, 232 people died on Victoria's roads in 2021 – up from 211. Key contributors to this outcome included a 34 percent increase in fatalities on metropolitan roads. Tragically, 36 of those killed were not wearing seatbelts. For us, these preventable losses serve as a strong reminder that there's still much to be done to protect people on our roads – and to educate the community about road safety risks. In embracing the ambitious targets of the Victorian Road

Safety Strategy 2021-2030 and by working closely with our road safety partners, we're determined to reduce road trauma.

New Road Safety Legislation Amendment Bill 2022

We played a key role in developing the new *Road Safety Legislation Amendment Bill 2022*, passed by the Victorian Parliament in May 2022. The bill includes important changes to our governing *Transport Accident Act 1986* (the Act) and the *Victorian Road Safety Act 1986*.

This represents an exciting step forward to ensure our scheme remains contemporary and fair. In particular, it will lead to improved enforcement and broader protections for all road users.

We invested more than \$80 million into life-saving infrastructure.

This included an additional 145 kilometres of flexible barriers – taking the total length of barriers now protecting high-risk roads to 3,510 kilometres. We have strong evidence to support this decision, as barriers have saved – and will continue to save – many lives.

We also made investments in new research and innovations, such as automated vehicles, mobile phone detection systems and in-car alcohol sensor technology, which will ultimately drive down trauma.

We got the message out about road safety

Through our hard-hitting 'The Lucky Ones Get Caught' and 'Be the Reason' campaigns, we reminded drivers of the dangers of speeding – encouraging them to think about the impacts of their actions and decision-making on others. We also engaged the wider community about improving road safety through a number of smaller initiatives and partnerships.

OUR CLIENTS

We're incredibly proud of the services and supports we offer injured Victorians to help get their lives back on track.

Despite the challenges of lockdowns and remote working, we invested in new technologies and systems to make sure no client fell through the gaps.

A further six apartments were completed in central Melbourne under our residential accommodation program, Residential Independence Pty Ltd (RIPL) – providing an opportunity for more of our most seriously injured clients to regain their independence.

Delivering a Next Generation Claims Model

With the new TAC 2025 Strategy in place, we're putting a greater emphasis on Value Based Health Care. This will help us deliver a claims model that's more equitable, better targeted to client needs and ensures improved outcomes for all stakeholders.

OUR PARTNERS

We remain in awe of the work of our health and emergency service partners over the course of the pandemic.

Their efforts in protecting Victorians and shielding the broader health system cannot be overstated and we know through our own dealings, have taken an enormous personal toll on many of the individuals involved in these professions – our doctors, nurses, police and ambulance personnel.

To all of these people, the TAC says thank you.

In 2021/22, we paid \$1.54 billion in benefits to support more than 43,000 Victorians through their post-accident recovery. We also helped many return to meaningful work, including 839 of our most seriously injured clients.

OUR PEOPLE

Each and every one of the 1,200+ people who work at the TAC are passionate about preventing road trauma and improving the lives of all Victorians.

Despite the many hurdles faced this year, we've rallied together, supported each other, and proven we're capable and willing to get the job done, whether based in the office or working remotely.

We're adopting a hybrid model of working

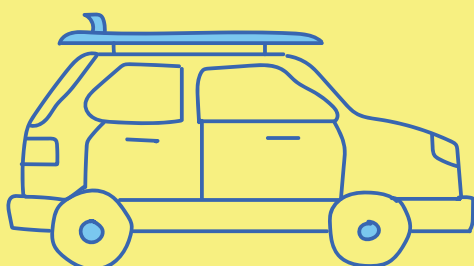
Our people have gone above and beyond during this challenging time, and we're immensely proud of their achievements.

We're confident that a hybrid, flexible model of working will deliver enormous health and wellbeing benefits for them. It will also benefit the way we support and service our clients and the community.

Even though the challenges of the COVID-19 pandemic remain, we're moving forward to build a better and stronger organisation.

Impact on profit	17/18 \$M	18/19 \$M	19/20 \$M	20/21 \$M	21/22 \$M
Performance for insurance operations	(424)	(1,538)	744	990	942
Impact on profit from external factors:					
Difference between actual investment returns and long-term expected returns	363	18	(973)	1,331	(1,554)
Change in inflation assumptions and discount rates	(619)	(3,576)	459	1,204	3,294
Repayment of capital	-	(255)	-	-	(400)
Tax	233	1,549	(51)	(1,049)	(774)
Net profit/(loss) after tax	(447)	(3,802)	179	2,476	1,508
Insurance Funding Ratio ¹	164.8%	137.7%	137.1%	161.7%	148.6%

¹ Insurance funding ratio from 2018/19 includes a risk margin and uses a long term investment return of 7.25%.



Greg Wilson
CHAIR

Joe Calafiore
CHIEF EXECUTIVE OFFICER



About us

We're here to promote road safety, support those who've been injured on our roads and help them get their lives back on track.

The Transport Accident Commission (TAC) is a Victorian Government-owned organisation, established under the *Transport Accident Act 1986* (the Act) with the twin aims of providing financial and rehabilitation support for Victorians injured in motor vehicle accidents and playing a leading role in preventing deaths and serious injuries on roads.

We are part of the Victoria's transport portfolio, led by the Department of Transport.

DELIVERING BENEFITS

We cover the costs of injuries which are the direct result of accidents involving the driving of a car, motorcycle, bus, train or tram. This means we provide support to drivers, passengers, pedestrians, motorcyclists and cyclists.

Under our 'no-fault' scheme, we pay for medical benefits and support services for any injured person – no matter who caused the crash. And we fund medical treatments for as long as necessary, whether it's over the short-term or for a lifetime.

Our scheme is funded through the TAC charge, which is a component of the annual vehicle registration Victorians pay through VicRoads.

PARTNERING TO PROTECT

We work closely with our partners across government, industry and the broader community to reduce road trauma, and support those it impacts. We focus on:

1. Accident prevention

We work with road safety partners to reduce the incidence and severity of road trauma.

2. Rehabilitation

We work with health and disability stakeholders to help injured people recover, get back to work and regain their independence.

3. Claims management

We empower our own people to support our clients and make the right decisions.

4. Financial management

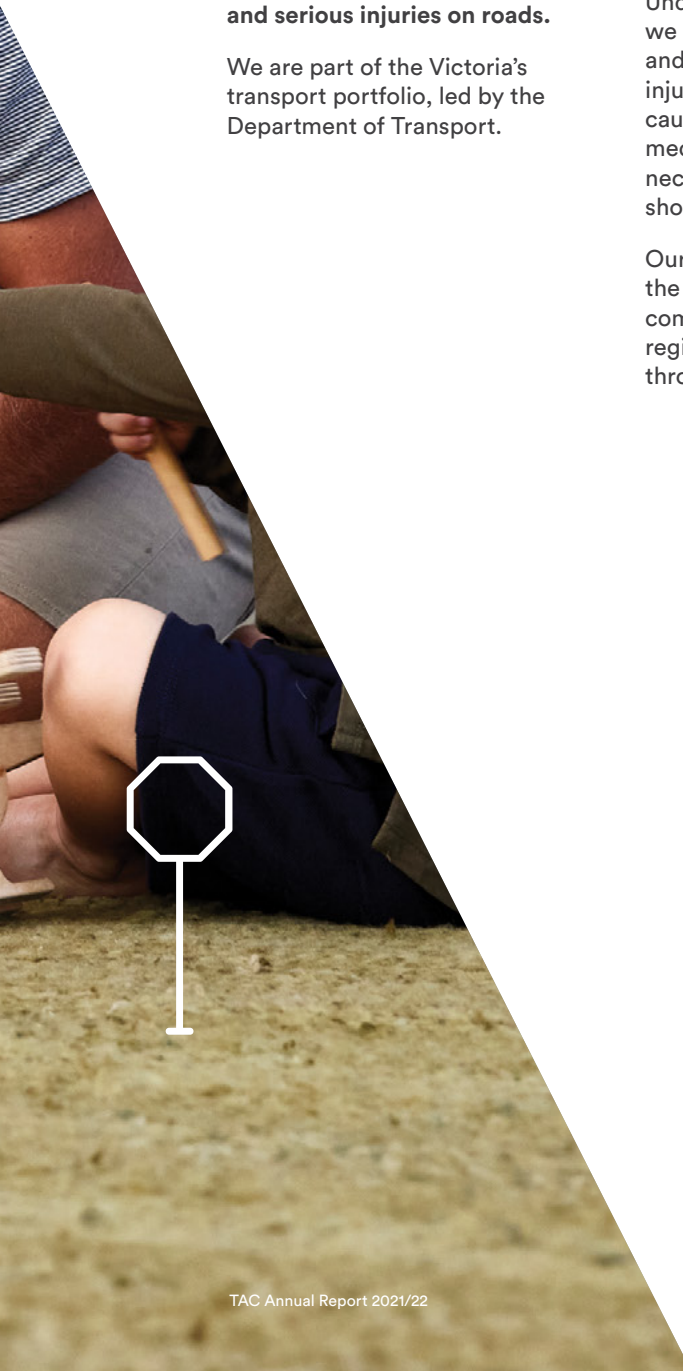
We work with government to ensure our scheme is viable, sustainable and represents value for money.

5. Scheme design

We work with stakeholders to ensure compensation is accurate, fair and delivered as early as possible.

A LEADING VOICE IN ROAD SAFETY

We provide expert advice to government on road safety, road safety prevention and contemporary insurance and disability practices. We do this by investing in exceptional research and data, world-leading technology and infrastructure, and quality education and awareness initiatives.



Our purpose, vision and mission

Our purpose

To care for the lives of everyone who travels on Victoria's roads

We care about every single person who travels on Victoria's roads and we have their best interests at heart. It's why we're pushing the envelope to prevent road trauma. And it's why we're always looking for new and improved ways to support those who experience it.

Our vision

To be the safest place in the world for road travel

Since 1986, our unwavering aim has been to eliminate deaths and serious trauma on Victorian roads. Put simply, the loss of life or health should never be the price to pay for using our roads.

Our mission

To champion road safety and help those injured get their lives back on track

We put people at the centre of our decision-making. We aim to protect them from harm on our roads, and help those injured move their lives forward with dignity and independence.

“I used to play as a junior, so I already had some skill. I realised it was really helping with my mental health and purpose in life, so I gave it a proper go. I went from training one day a week, to two, to five, to national comps, international comps then representing Australia at the Paralympics in Tokyo. I'm aiming to be the best in Australia next year.”

Marty, TAC client



Who we are



Our values

Developed by our own people, our values underpin every aspect of our organisation.

They guide what we do, how we think and importantly, the way we respond to – and support – Victorians impacted on our roads.

We value life

We're passionate about protecting Victorian road users in every way. We value each and every life, and we're committed to delivering a road safety system that protects them against trauma.

Through quality, respectful and timely supports and services, we help our clients get their lives back on track as quickly as possible. Our value for life extends to our own people too. By looking after their wellbeing, they can better look after all Victorians.

We make every conversation count

We know that trust is built and reinforced one conversation at a time. We ensure the conversations we have with colleagues, clients, partners and our community are authentic, heard, and acted upon.

We will find a better way, today

We're not afraid to be bold and brave. We empower our people to be innovative and creative, and to always seek better ways to care for our clients and prevent road trauma.

We make the complicated simple

We break down barriers that get in the way of achieving success. We simplify the way we do things and the interactions we have – for our clients, our partners and our broader community.

Our performance

Every year we push ourselves to be better than the previous one. We do this by setting ambitious corporate targets for improved safety on our roads and life back on track outcomes for our clients.

In 2021/22, uncertainties created by the ongoing COVID-19 pandemic continued to challenge our organisation and deliver unexpected outcomes, requiring flexible decision-making and revised expectations.

As a result, while we have exceeded some of our corporate targets, other measures have fallen short of where we want them to be.

We are satisfied with efforts made over the year to improve the financial sustainability of our business. We are saddened by the increase in 2021 of lives lost on Victorian roads.

Helping our clients return to health and employment sooner, or in the case of our severely injured clients, achieve a greater degree of independence, is at the centre of everything we do.

We have made significant adjustments to the way we operate to ensure no one slips through the gaps of good care during the pandemic. Nevertheless, client feedback tells us there is still more that we can do and will help direct our efforts.

2021-22			End of June actual	Full year target
Road Safety	Road Safety	Lives Lost (#) (2021 calendar year)	232	195-215
		Serious Injuries TAC hospitalised claims	1,149	1249 - 1299
		Community Sentiment in achieving zero deaths (%)	50.6%	50.0%
Clients' Lives Back on Track	Client Reported	Client Outcomes Score (/10)	6.83	7.10 (6.95 - 7.25)
		Client Experience Score (/10)	6.87	7.15 (7.00 - 7.30)
	Client Outcomes	Return to Work (%) Rapid Recovery	69.6%	70.0%
		Return to Work (#) Complex Recovery & Serious Injury	839	725
		Independent of scheme (%)	72.9%	71.0%
	Client Service	Quality measure: Decision quality (ERCO) (%)	85.4%	85.0%
		Quality measure: Call quality (TSHC) %	79.3%	78.0%
		Common Law Resolution Timeline (months)	51.5	51.0
	Sustainability	Financial	PFIO (\$M)	942.0
Economic Insurance Result \$M (before road infrastructure)			1,227.9	657.0
Administrative Ratio (%)			10.1%	10.6%
Insurance Funding Ratio (%)			148.6%	155.4%
People		Sustainable Engagement (%)	80.0%	77.0%
		Health, Safety and Wellbeing	Established (two levers advanced)	Established (one lever advanced)

Environmental, Social and Governance

We recognise that we have an important role to play in building a fair, inclusive and sustainable Victoria through our business decisions. We also understand that by integrating Environmental, Social and Governance (ESG) factors into that decision-making we can make positive change to the lives of Victorians and to broader communities.

While we are firmly focused on sustainable ways to prevent people being killed or injured on Victorian roads, and supporting those who are affected by road trauma, we also have an important role to play in fostering a safe, healthy, and inclusive workplace and community, and recognise our impact goes far beyond our clients and Victoria's roads.

We see it as our duty to make a positive contribution to our employees, partners (suppliers) and the broader community, including to our home town of Geelong.

We are proud of the actions we have taken and new partnerships formed in 2021/22 to deliver positive change.

Examples of key ESG activities include:

SUPPORTING INDIGENOUS ENTERPRISE

We officially launched our Reconciliation Action Plan (RAP) in November 2021. This marks a positive step forward for our organisation on our path towards reconciliation.

Kinaway Partnership:

In 2022, we forged an important new partnership with the Kinaway Chamber of Commerce.

Kinaway's stated purpose is to strengthen relationships and create opportunities for Aboriginal and Torres Strait Islander businesses.

We see enormous value in our partnership and we feel confident our relationship will help us achieve our social procurement goals. More importantly, we know that it will go some way to stimulating Indigenous entrepreneurship and provide Indigenous Australians with more opportunities to participate in the economy.

Ganbina Partnership:

Our partnership with Ganbina – an Indigenous youth training and education program based in Shepparton – supported drivers in the Shepparton region facing disadvantage to have access to safer vehicles.

EMPOWR PARTNERSHIP

The Empowr Pilot, which commenced in 2022, provides four young drivers with a new 5-Star ANCAP vehicle fitted with driver safety engagement technology to help mentor safe driving behaviour. The aim of the pilot is to assist the young people to access employment, training, education and social opportunities.

While our role might be small in the broader reconciliation picture, each of these little steps has the potential to make a big difference.

CLIMATE ACTION

In 2021/22, we continued to look at new ways of reducing our organisation's carbon footprint and its overall impact on the environment.

COVID-19 restrictions provided an opportunity for us to reconfigure our Geelong head office for hybrid working. In undertaking this work, 17 percent of items deemed no longer fit for purpose were reused and 70 percent of materials were recovered, significantly reducing the amount of material that would otherwise have been sent to landfill.

Client-facing sections of our business led another important initiative, with the transition of more than 20,000 paper remittances per month to a digital-based system. At the end of the financial year, the first of our clients – some 2,700 – were ready to make the switch to email remittances, with a further cohort to follow.

INCLUSION & DIVERSITY

We are committed to promoting an inclusive environment because we know it builds trust in our organisation – both within and externally.

In 2021/22 we achieved some important milestones including:

- Conducted our first Inclusion and Gender Equality Employee Survey, to better understand the experiences of our people
- Developed our first Gender Equality Action Plan
- Launched a new Inclusion & Diversity Council, led by our CEO Joe Calafiore.

Norm Stanley's stunning painting, *The Roads that Keep us Together*, was commissioned as part of our RAP journey and takes pride of place within our Geelong headquarters. It serves as an important visual reminder of our commitment to reconciliation.

Norm, is a Kurnai / Wotjabaluk artist, musician and storyteller who lives and creates on Wadawurrung country. Below, he explains the story behind his artwork.



About *The Roads that Keep us Together*

The background represents our beautiful land and waterways of Victoria. At the bottom left-hand corner, there is a roundabout. This represents the many directions we may take on our journeys.

More importantly, it represents the TAC target in the centre and the target number of zero surrounding the target. This sits at the start of the roads that keep us connected.

Traditionally, we followed our waterways, our rivers, creeks and streams much the same as we do our roads today. We had songlines to follow like a GPS and rules connected to them to keep us safe and to guide us on our journey.

The roads that travel around the canvas are not as they would be on a map. They represent to me the roads I like to follow when we go for our travels; Barwon Heads, Torquay, Great Ocean Rd, Mildura, Lakes Entrance, Hamilton to name a few.

The red circles/campfires represent all 38 tribes that belong to what we now call Victoria, some are bigger than others. The white dots surrounding the larger campfires represent the five-year average of lives lost on our roads (which in 2020 was 256).

Each campfire has 17 dots, but one has 18. The 18th dot is a personal one for me and makes the extra number to get 256.

Inclusion and diversity

We're committed to driving a culture of inclusion, where people of all backgrounds, identities and lived experiences are safe, respected, feel a sense of belonging and are empowered to contribute their opinions, ideas and skills to fulfill our purpose.

We're on the journey to be an inclusive organisation that truly represents the diversity of the community we serve. We believe that together, our differences make us stronger. They enrich us all, as both professionals and as people, so we can make even sounder decisions and provide even more relevant services to our community.

To make it happen, over the past year we've made some important progress in understanding how our people from historically marginalised communities experience our workplace. We've worked to understand how well our workforce represents the Victorian community. At this stage of our journey, we're focusing efforts on five priority groups:

- Aboriginal and Torres Strait Islander people
- people with disability
- women and gender diverse people
- LGBTIQ+ people
- culturally and linguistically diverse people.

Our ultimate goal is to improve the way people from our five priority groups experience work across a number of indicators. We hope to stop them facing negative behaviours, such as bullying, harassment and discrimination.

INCLUSIVE LEADERSHIP: GOVERNANCE AND ACCOUNTABILITY

We started our inclusion and diversity journey by setting up a new standalone I&D Council, chaired by our CEO and made up of all executive leadership team members. This is significant. It creates an authorising environment and makes sure we have top-down accountability for I&D outcomes. Supported by regular reporting, transparency and external benchmarking, this model makes sure every single

leader plays their important role in advancing inclusion. We know that every division of the TAC needs to be involved in creating and sustaining a culture of inclusion, opportunity, and belonging. This model will help make it happen.

At this early stage of creating conditions for change, the I&D Council has endorsed an overarching vision for I&D, our framework, approach and five priority groups to focus on over the year ahead.

“To be a place where every single one of our people feels like they belong, are respected and valued – this is the goal of our inclusion and diversity journey.

To be a place where people of all backgrounds and identities know that when we say we are committed to inclusion and diversity, we truly mean it. We will eliminate barriers and do what it takes to achieve equality. We will reflect our community, to be a part of our community.

And to be a place where the diversity of lived experiences, ideas and perspectives of our people matter in what we do for each and every road user, every single day – that is what I&D is about for us.”

Joe Calafiore, TAC CEO

INCLUSIVE CULTURE AND CAPABILITY

We've designed and launched a new I&D Index, merged into the 2022 Employee Opinion Survey (EOS). These results will feed into our divisional I&D planning and the executive leadership team performance indicators. The results will give us yearly insights through the lens of our five priority groups.

To keep building on opportunities for our people to learn more about the challenges and barriers faced by our priority groups and how to be an ally for our people, clients and community, we began an annual 'Inclusion Days of Significance' calendar in March 2022. So far we've recognised:

- International Women's Day
- International Day for the Elimination of Racial Discrimination
- International Day for the Elimination of Homophobia, Biphobia, Transphobia and Intersex Discrimination
- National Reconciliation Week.

RECONCILIATION ACTION PLAN

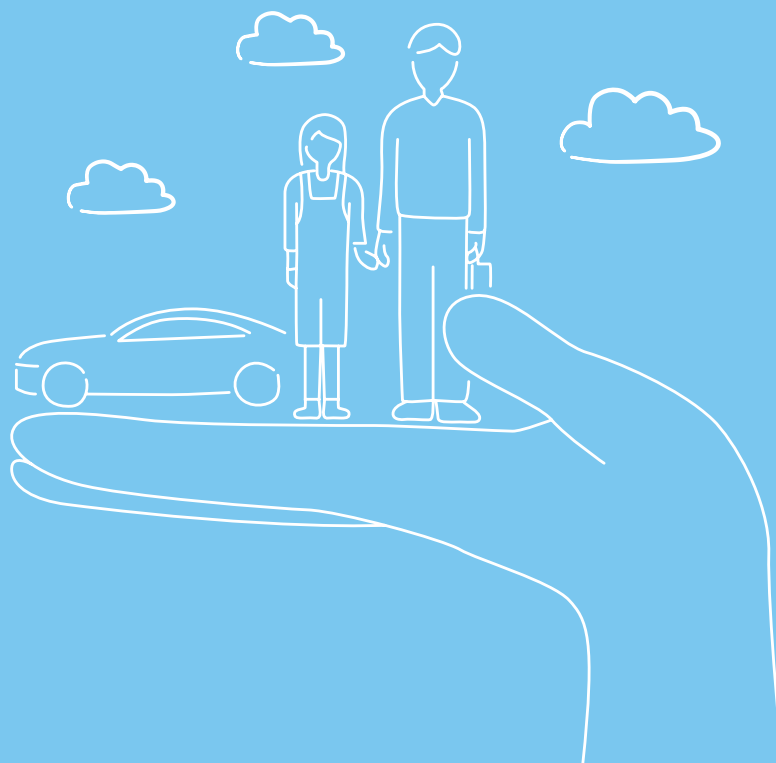
We're committed to building long-term and meaningful relationships with Aboriginal and Torres Strait Islander people - not just with those working with us, but also with our clients and our community.

We launched our Reconciliation Action Plan (RAP) in November 2021 to increase awareness of Aboriginal and Torres Strait Islander cultures, histories and knowledge, and to promote the principle and purpose of reconciliation in our workplace.

Key RAP actions we delivered in 2021-22 include:

- forming a RAP Implementation Working Group to make sure we deliver the actions identified in our RAP thoughtfully
- increasing our people's understanding of cultural protocols, including Acknowledgement of Country and Welcome to Country protocols

- permanently installing Aboriginal and Torres Strait Islander flags at the TAC Geelong office
- displaying an Acknowledgement of Country plaque at the entry of all TAC office sites
- curating and displaying Aboriginal and Torres Strait Islander artwork at all TAC office sites
- partnering with Kinaway and its members to build understanding of and engagement with the Aboriginal and Torres Strait Islander owned business sector
- facilitating an 'On Country' tour of Wadawurrung country for 220 of our people to promote cultural understanding and connection
- partnering with Yuwaalaraay designer and artist Lucy Simpson on locker designs at the TAC Geelong office; Lucy's locker design concepts 'Mapping Place' reflect the beautiful and original patterns, lines, colours and textures of the unique Australian landscape
- educating our people about Australia's shared histories, cultures, and achievements in commemoration of National Reconciliation Week.



GENDER EQUALITY

We're committed to promoting and advancing gender equality both in our organisation and in the community, as outlined under the *Gender Equality Act 2020*. This year we developed an inaugural Gender Equality Action Plan, following an extensive employee listening and engagement approach. The plan takes an intersectional lens – it looks at the many overlapping ways a person's gender can expose them to discrimination and marginalisation. It outlines the actions we'll take to advance gender equality. Our key goals include:

- reducing our organisational gender pay gap and ensuring equitable pay for women and gender diverse people
- improving the representation of women in leadership and underrepresented occupations
- empowering our people to make the most of flexibility and leave entitlements, and making sure flexible work doesn't undermine career progression, pay or development opportunities
- recruiting a diverse workforce that represents the Victorian community.

We lodged our Gender Workforce Audit and submitted the Gender Equality Action Plan with the Commission for Gender Equality in the public sector in April 2022.

ACCESSIBILITY AND DISABILITY CONFIDENCE

Over the past year, we've been steadfast in providing an inclusive and accessible environment for people with disability within our workplace, among our clients and within the community.

Our key achievements include:

We reduced barriers to accessing goods, services and facilities by:

- complying with Web Content Accessibility Guidelines Version 2.0 (WCAG) AAA standard to allow our people, clients and the community to access the information that they need

- reviewing our sites to make sure our newly fitted out hybrid workplaces are accessible to everyone

- prioritising accessibility when deciding which suppliers to use.

We reduced barriers to people with disability in getting and keeping work by:

- shifting to hybrid working to promote workplace flexibility
- reviewing and launching a new contemporary workplace adjustments policy
- providing disability confidence training to People and Culture, and Hiring Managers
- including questions on disability workplace adjustments in our EOS and providing a dedicated focus group session for women with disability as a part of the gender equality consultation process
- reviewing the Disability Action Plan, with commitment secured to undertake external benchmarking via the Australian Network on Disability Access and Inclusion Index in 2022
- ongoing membership with Australian Network on Disability.

We promoted inclusion and participation in the community by:

- reviewing our client journey, focusing on what's critical during the first 30 days; a number of initiatives developed from this review will look at improving how we identify and support our clients
- updating our processes to make sure complaint and feedback channels, as well as all services, are accessible to people with disability
- reviewing each site for accessibility needs to make sure we only host forums and events that are accessible and inclusive for everyone.

SUPPORTING OUR CULTURALLY AND LINGUISTICALLY DIVERSE (CALD) CLIENTS

It's important that our clients feel supported and that their voices are heard. This can be difficult for those facing language barriers.

We know that all cultures have their own values, beliefs and accepted ways of interacting. With this in mind, we established a new CALD Cohort Team - with the aim of better supporting clients from Culturally and Linguistically Diverse backgrounds.

This has allowed us to build a foundation for improved services and support for those who face unique challenges, or who are identified as being at high risk of poor outcomes. While we already had an interpreter service, client feedback told us we needed to do more.

From this initiative, we've developed a new road safety learning module. Online, we've also translated important client information on our corporate webpages into 13 different languages.

The module provides people from CALD backgrounds with a better understanding of Victoria's road safety rules and systems, while the translated webpages help them learn about what we do and how we can support them in the event of a vehicle accident.

The content was shaped by client input and developed with the help of employees from across the business who speak languages other than English and have an understanding of their own specific cultural communities.

We also established a dedicated CALD client panel and have started a real-time interpreter feedback trial.

Through these initiatives, we're not only improving communication and connectivity with our CALD clients, we're further demonstrating our commitment to improving inclusion, diversity and accessibility, both within and outside of our business.



Preventing road trauma

Sadly, 232 people died on Victorian roads in 2021 – an especially difficult outcome after a record low number of lives lost in 2020. We're heartbroken for impacted family and friends, and feel for the many who have been seriously injured on our roads.

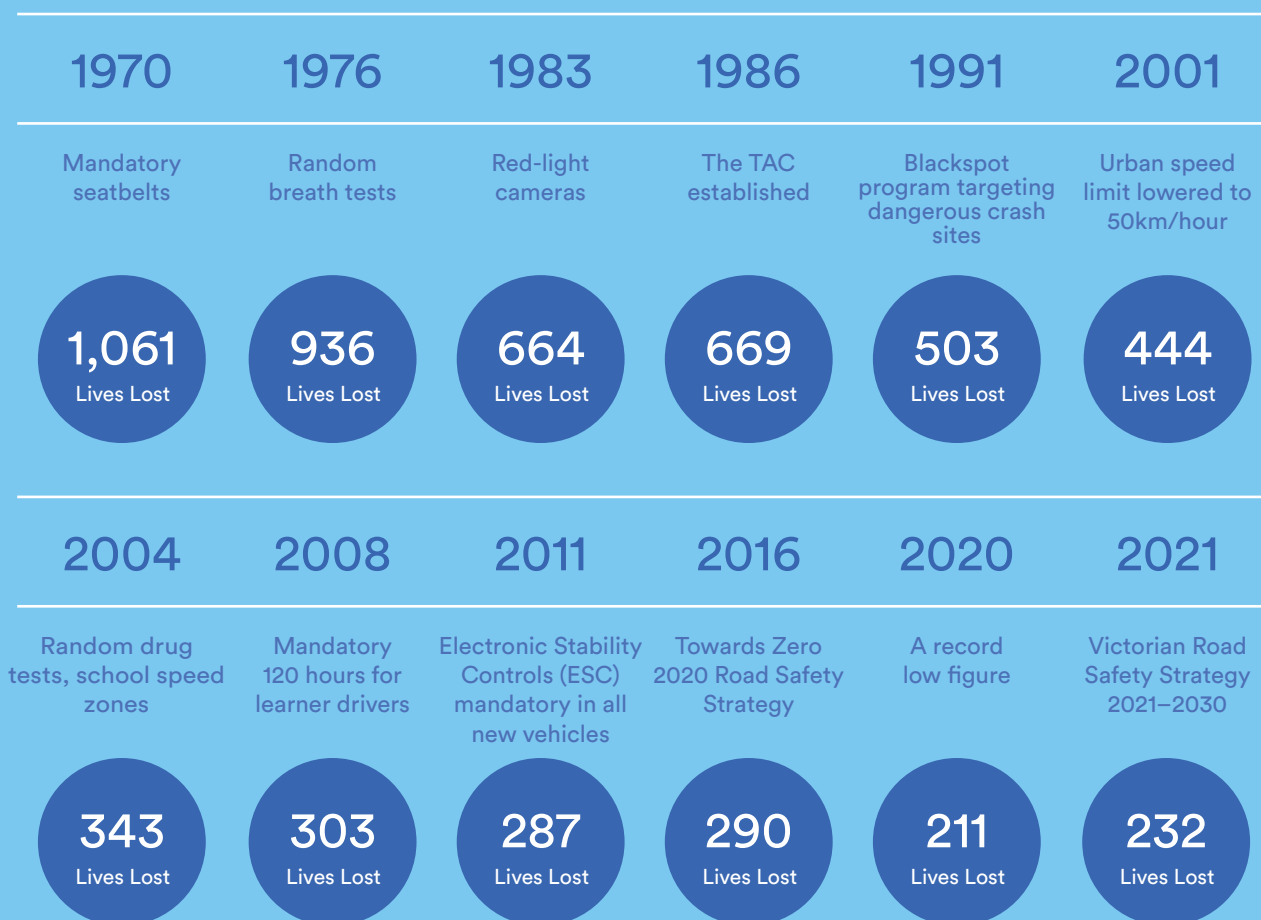
Tragically, most road deaths and injuries are preventable and these figures remind us that we need to do more to protect people on our roads. As part of the Victorian Road Safety Strategy and our TAC 2025 Strategy, we'll work with our road safety partners to find a solution.

By building safer roads, encouraging safer vehicles and improving road safety culture, we can drive down—and eventually eliminate—road deaths.



Our journey to zero continues

Victoria has a proud history of leading from the front and delivering meaningful change that has helped save lives - not just within our state, but at national and international levels. We are proud to have been at the forefront of some of these milestones.



In December 1970, Victoria became the first jurisdiction in the world to pass its seatbelt legislation. At the time, Victoria recorded 1,061 lives lost on the road that year. In 2021, this figure was 232.

Through our acclaimed public education campaigns, world-leading research and investments in pioneering technology and infrastructure, we have and will continue to lead the way in driving down road trauma.



We need to do more

2021 was another difficult year on Victoria's roads, with 232 lives lost. This is an unacceptable outcome and only strengthens our resolve to work harder, to explore all options and to do more to drive down road trauma.

It is hard to know why the number of fatalities increased in a year when travel was again restricted at different times because of the COVID-19 pandemic. We do know, however, that most of these deaths were avoidable and each one has resulted in an enduring sense of loss for loved ones.

The only positive trend was a decline in rural fatalities. After many years of being over-represented in the statistics, the number of deaths on country roads fell by eight, to 118.

Unfortunately, road fatalities in metropolitan areas increased over the same period from 85 to 114. Inexplicably, 36 people died while not wearing a seat belt and 86 fatalities were in vehicles more than 10 years old.

Together with our road safety partners, we're committed to finding life-saving solutions to protect people on our roads. We're confident we can reach our ambitious goal to eliminate serious trauma by 2050 and halve lives lost by 2030, as set out in the Victorian Road Safety Strategy and TAC 2025 Strategy.

Drivers

113 died in 2021
9 more than 2020 (+10%)
119 5-year average

Passengers

36 died in 2021
5 more than 2020 (+16%)
39 5-year average

Cyclists

11 died in 2021
3 less than 2020 (-21%)
10 5-year average

Motorcyclists

43 died in 2021
11 more than 2020 (+34%)
42 5-year average

Pedestrians

28 died in 2021
2 less than 2020 (-7%)
37 5-year average

Males

168 died in 2021
9 more than 2020 (+6%)
182 5-year average

Females

64 died in 2021
12 more than 2020 (+24%)
66 5-year average

Melbourne

114 died in 2021
29 more than 2020 (+34%)
110 5-year average

Rural

118 died in 2021
8 less than 2020 (-6%)
137 5-year average

* the cause of one fatality in 2021 remains unknown

Our road safety campaigns

We create road safety campaigns to have a meaningful impact on all road users and ultimately save lives. They're the result of months of considered research and underpinned by the best available road safety, health and marketing data. It's why many other jurisdictions regularly reference our campaigns at national and international levels.

Our 2021/22 campaigns continue to educate and engage the broader community about road safety risks and opportunities. They help us raise public awareness and create behavioural change so we can reach the Victorian Road Safety Strategy's ambitious aims – halving the number of road fatalities and reducing serious injury in Victoria by 2030. The long-term goal is zero deaths and serious injuries.

ONLY THE LUCKY ONES GET CAUGHT

Our *'Only the Lucky Ones Get Caught'* enforcement campaign aimed to deter drivers from taking risks on the road, reminding them that they will get caught, anytime and anywhere.

The campaign focused on speeding, drink and drug driving, distracted driving and non-seatbelt wearing. It was supported by an increased police presence, enhanced enforcement activity and local government road safety messages.

Carefully researched and deliberately graphic, the multimedia campaign was designed to shock Victorians into action amid sobering statistics showing:

- speed is a factor in approximately 30 percent of casualty crashes and males aged 26-39 are most likely to get caught speeding

- over 40 percent of deaths and 20 percent of serious injuries occur on high-speed rural roads, with run-off road crashes particularly common
- over the past five years in Victoria, approximately 18 percent of drivers and riders killed had illegal blood alcohol levels
- 31 percent of Victorians have admitted to using a mobile phone illegally in recent months.

The key campaign takeaway is that Victoria Police are there every day to keep us safe, whether they're out on patrol or conducting targeted road safety operations.

ONLY PROTECTED FOR A MOMENT

After a worrying increase in motorcyclist deaths and serious injuries, we launched our *'Only Protected for a Moment'* campaign. We pleaded with riders to protect their body by wearing approved safety gear every time they leave the driveway.

The campaign is confronting, but it needs to be. It demonstrates the shocking reality of what happens when a motorcyclist falls off their bike at high speed. Motorcyclists only make up four percent of registered vehicle owners, but they remain one of our most vulnerable road-user groups. According to our figures, they account for 16 percent of annual deaths and 20 percent of serious injuries. Their risk of death and serious injury is 38 percent higher than car drivers and passengers.

In 2021, 43 motorcyclists died on Victoria's roads, an increase of 11 from the previous year.

These figures prove that riders need more protective safety clothing to mitigate the risks, including a jacket, pants, boots, gloves and a helmet.


We ran the campaign online, in newspapers, on radio and across our social media platforms. It resonated strongly with motorcyclists, encouraging many riders to share their own experiences of when the right safety gear protected them from far more serious accident outcomes.

BE THE REASON

Our *'Be the Reason'* campaign implored Victorians to use the same discipline they showed during COVID-19 restrictions to do their bit to keep all road users safe.

We saw many drivers taking to the roads again for the first time in a long time. Launched in November 2021, this campaign encouraged drivers to be the reason others returned home safely. Because it's up to every one of us to keep our roads safe – for ourselves, our families and every other person on the road.

'Be the Reason' was strategically run in the lead-up to Christmas and over summer, when many people were planning long road trips, visiting family and friends and heading to events.

A middle-aged man with short, dark hair is shown from the chest up, looking down and slightly to his left. He is wearing a light purple long-sleeved button-down shirt. On his right upper arm, he wears a blue armband with white text and logos. The background is a softly blurred indoor setting with warm lighting.

**“I’m wearing it for
my son, Cooper”**

- Brett Ratten

TAC

AFL
VICTORIA

Preventing road trauma

GETTING YOUNG DRIVERS INTO SAFER CARS

When you drive an older vehicle, your risk of being involved in a crash increases due to the lack of safety technology and protection. With this in mind, we launched the *'How safe is my...'* campaign in 2021 to help get young drivers into safer cars.

It included a series of videos featuring a driver with their partners, family members, friends or pets alongside them in the vehicle. We asked viewers to 'think of the ones beside you', prompting them to visit howsafeisyourcar.com.au.

The launch coincided with an increase in young driver deaths (18 to 25 years old), and the majority were driving older vehicles. Our research also revealed that young drivers were not considering safety features as much as they should.

Getting drivers into the safest car they can afford is a top priority of the Victorian Road Safety Strategy 2021-2030, which aims to halve road deaths and significantly reduce serious injuries by 2030 with a target of zero road deaths by 2050.

The strategy action plan includes a \$6.88 million incentive program to get 1,000 young regional drivers into safer vehicles.

MIND ON THE ROAD

According to our data, simple judgement errors, as opposed to deliberate risk-taking, were responsible for as much as 70 percent of all Victorian road deaths since 2017.

To address this problem, we launched our *'Mind on the Road'* campaign in March 2022 urging motorists to pay attention behind the wheel.

We showed how everyday concentration lapses, like picking up a mobile phone or taking a corner too wide, can lead to disastrous consequences. While intentional risky behaviour like excessive speed, drink driving and drug driving remains a strong focus of the Victorian Road Safety Strategy, this campaign gave the public a strong reminder that even the best drivers can be a split second away from an unthinkable accident.

It featured a series of social media adverts using common animated objects to represent everyday distractions that can take your attention off the road.

“When drivers slow down, it enables us to do our job.”

PROTECTING ROADSIDE WORKERS

Victorian roadside workers and first responders are at risk on our roads every day. So we launched the *'It's up to all of us'* campaign in November 2021 to urge motorists to slow down.

It was during a time when more and more drivers were returning to the roads after COVID-19 restrictions. The campaign profiled six people who either work on the roads, or for emergency services, highlighting how their safety is at stake when people speed or drive dangerously past them.

Since 2017, there have been laws in place to protect these workers in Victoria. We must slow down to 40 km/h or less when passing active law enforcement and emergency services or flashing lights. We must also slow down to the reduced speed limit when passing roadside workers.

With hundreds of people in these roles, the campaign urged drivers to consider the work they do, the laws in place and the role we can all play in protecting roadside workers and first responders.

KEEPING VICTORIA'S MUSLIM POPULATION SAFE

In April 2022, we launched a first-of-its-kind road safety campaign coinciding with the culturally significant month of Ramadan.

'Drive Safely this Ramadan' was created in response to a 2019 Victorian Coroner's ruling that a fatal car crash was potentially caused by fatigue due to fasting.

Research shows fasting for long periods can lead to low blood sugar and dehydration, affecting a driver's ability to stay alert and focused.

In collaboration with community leaders and the Islamic Council of Victoria, the *'Drive Safely this Ramadan'* campaign encouraged Victoria's 200,000-strong Islamic community to be aware of the impacts of fatigue while driving. It was translated into 13 languages to reach the many people from different nationalities who celebrate Ramadan.





ENFORCEMENT IS 'ALWAYS ON'

In 2022, we launched our Enforcement campaign to remind all road users that they could be caught out for risky behaviour at any place, and at any time.

This involved a series of hard-hitting messages targeting the five priority behaviours in the Victorian Road Safety Strategy 2021-2030:

- distractions
- speed
- drug driving
- seatbelts
- drink driving

We ran this campaign across outdoor billboards, radio, digital and print in regions with high numbers of serious trauma and fatalities over the last five years. We also aired the campaign on 7NEWS and, together with our road safety partners, were interviewed by AFLW and media identity Daisy Pearce.

This campaign was supported by an increased police presence, additional TAC-funded enforcement activity and local government road safety messages.

KEEPING KIDS SAFER

Every year in Australia, on average, seven children aged 0-14 years are killed and 60 are seriously injured in driveway accidents, with children under five at the greatest risk.

To help prevent these accidents, we teamed up with KidSafe in 2021 for a confronting new campaign, *'If you don't know, then don't go'*.

We created a hard-hitting video of the moment a father fails to see his child when reversing out of his driveway. We aimed to raise awareness of the large blind spot that exists behind all vehicles, while demonstrating practical ways to reduce the risk.

TAC BACKS ANIMAL SAFETY CAMPAIGN

Every year, thousands of native wildlife are killed or suffer serious injuries on our roads. The numbers are increasing each year as drivers continue to speed through their natural habitats.

To help urge drivers to slow down and stay alert for wildlife, we supported Wildlife Victoria's *'A Safe Drive Saves our Wildlife'* campaign. It couldn't have launched at a more important time, after thousands of native animals were struck by vehicles in 2020, resulting in more than 8,000 calls for Wildlife Victoria assistance. In the same period, more than 1,500 people were injured in a crash involving an animal.

The campaign captured the public's attention with native Australian animals sporting high-vis safety vests. With the pro bono support of major media outlets, Wildlife Victoria reminded drivers to be aware of the environment they're travelling in and to slow speeds in areas where native animals live.

Creating safer roads

Creating safer roads is one of the core objectives of the Victorian Road Safety Strategy 2021-30, because we know how important they are to reducing crashes and minimising serious injury. The three most common road accidents in Victoria are caused by a vehicle leaving the road, at intersections and head-on collisions.

The TAC has to date invested \$1.4 billion into the Safer Roads Program, including \$82 million in 2021/22. Some initiatives were funded in partnership with the federal government, under the Commonwealth Targeted Road Safety Package and Road Safety Program.

This funding targets high-risk accident locations with life-saving flexible barriers, roundabouts and run-off road preventions such as wider shoulders, audio tactile line marking (also known as rumble strips) and wire barriers.

In 2021/22 the Safer Roads Program, combined with Commonwealth programs, delivered;

- a further 145km of flexible barriers, bringing the total amount of barrier installed under the program to 3,510km

- 751km of Audio Tactile Line marking, bringing the total amount under the program to 12,700km
- 55 completed projects, bringing the total projects completed under the program to 570.

TARGETED ROADS SAFETY PROGRAM

The TAC has committed \$30 million to the \$105.7 million Targeted Road Safety Works program – a joint Federal and Victorian Government initiative aimed at accelerating delivery of new infrastructure projects, continuing road safety improvements and supporting construction jobs and economic recovery from the COVID-19 pandemic.

In 2021/22 the Project delivered:

- the Pedestrian and Safer Schools program to improve safety for pedestrians at more than 55 schools, shopping strips and intersections across the state
- intersection safety upgrades on 30 high-speed, high-risk rural intersections
- safety improvements at a further 16 locations across the state, including installing flexible safety barriers, roundabouts, traffic islands, lighting and signage enhancements and road surface treatments, as appropriate.

THE COMMONWEALTH ROAD SAFETY PROGRAM

The TAC has committed more than \$130 million across the five tranches of the Commonwealth Government's Road Safety Program, including over \$60 million planned for 2022/23.



Research and innovation

We're always thinking ahead and finding new ways to make Victorian roads and everyone that travels on them safer. With significant investment in research and new and emerging technologies, we form strong partnerships in Australia and abroad with public and private sector players across research, technology and innovation.

KEEPING CYCLISTS SAFER

In July 2021, we launched our ground-breaking Light Insights Trial (LiT) to gain important information about cycling safety, with more than 1,000 cyclists of all abilities participating.

In collaboration with Deakin University, See-Sense and the iMove Cooperative Research Centre (CRC), we fitted high-tech lights to bikes with an app link so riders can easily share data with us, including:

- cyclist crash events – including mapping collision and close pass hotspots
- abrupt accelerations or decelerations
- swerving
- road surface roughness
- average and instantaneous speeds
- dwell time
- origin-destination and key routes/gateways
- cyclist feedback

This data will help inform future policy planning and infrastructure improvements for cyclists, and we'll continue to collect it until September 2022. By the end of June 2022, participants covered more than 350,000 kilometres after cycling upwards of 20,000 hours.

WORLD-FIRST PROGRAM FOR CHILDREN LIVING WITH DISABILITY

We're helping to fund world-first research that will ultimately provide safer travel for children living with disability or medical conditions.

Through the Australian Safety Assessment Program (AuSAP), nine special-purpose child restraints imported and sold in Australia are undergoing frontal and side impact crash tests at the Britax Childcare Crash Test Facility Laboratory in Melbourne.

Mobility and Accessibility for Children in Australia Ltd (MACA) launched AuSAP with TAC funding and in-kind support from Britax Childcare and Neuroscience Research Australia.

Regular child restraints sold in Australia are held to very high safety standards, but families of children with disabilities and medical conditions haven't had access to the same information about child restraint safety. MACA's national research also shows that these children are inappropriately restrained in vehicles, contributing to the ongoing road safety challenges.

The test results will provide us with Australia's first information about the safety and performance of special purpose child restraints for children with disabilities and medical conditions. It will also provide practical advice and information for allied health professionals.

AUSTRALIAN-LEADING TECHNOLOGY TO HELP END DRINK DRIVING

In partnership with the US-based Driver Alcohol Detection System for Safety (DADSS) Research Program, we've brought new technology to Victoria with the potential to dramatically reduce drink driving.

The passive alcohol sensor (PAS) technology has been fitted to a prototype vehicle, as part of an Australia-first effectiveness trial.

Drink driving remains a major factor in road trauma, contributing to around 19 percent of fatalities on state roads in the past five years. The PAS technology uses sensors to measure alcohol particles in the air to determine a driver's blood alcohol concentration in less than a second. If a pre-determined limit is reached, it will prevent the car from moving. It's potentially more precise and reliable than current alcohol detection technology.

Together with the DADSS, we developed the PAS demonstration vehicle to present the technology to the Victorian public, and explore its life-saving potential and the possibility of a fleet trial.

PAS is a key project as part of the Victorian Road Safety Strategy 2021-2030, which is strongly focused on preventing road trauma caused by drink driving.

A global approach to road safety

We are widely recognised as a leading voice of road safety, not just within Victoria and Australia, but also internationally. In the 35 years since our inception, our organisation has amassed immense knowledge in the form of research, data and lived experience – all of which we are willing to share as part of our support for the United Nations' Decade of Action on Road Safety, which incorporates a global target of zero road deaths by 2030.

NATIONAL ROAD SAFETY WEEK 2022

In May 2022, we were honoured to be chosen, together with the Victorian Government, to host National Road Safety Week (NRSW).

This annual initiative from the Safer Australian Roads and Highways (SARAH) Group, shines a light the impacts of road trauma across Australia.

Each year around 1,200 people die on Australia's roads and a further 40,000 are injured. This year's NRSW ran from May 15-22 and provided an important platform to explore solutions and encourage individuals and groups to commit to playing a part in reducing trauma.

A SEAT AT THE UN TABLE

Our Head of Road Safety, Samantha Cockfield, was a member of the Academic Expert Group responsible for developing recommendations for inclusion in the United Nations' Decade of Action (2021-30) report, launched in October 2021.

Road crashes cause 1.3 million preventable deaths worldwide each year and nearly 50 million serious injuries, making it the leading cause of death for children and young people aged 5-29.

The UN Global Plan emphasises the importance of a holistic approach to road safety and calls for continued improvements in the design of roads and vehicles; enhancement of laws and law enforcement; and provision of timely, life-saving emergency care for the injured. It also encourages policies to promote walking, cycling and using public transport as healthy and environmentally-friendly alternatives to cars.

Samantha was also among a panel of global road safety experts to virtually participate in the German 2021 Vision Zero Conference, in October 2021.

The fact that Samantha and other members of our TAC Road Safety and Research teams are regularly asked to contribute to global efforts demonstrates the esteem in which they and the TAC more broadly are held at an international level.

TAC HOSTS INTERNATIONAL DELEGATION

In 2021, we hosted a delegation of road safety officials from the South African kingdom of Eswatini (formerly Swaziland).

Members of the Sincephetelo Motor Vehicle Accident (MVA) Fund spent three days exchanging ideas with our counterparts on strategy, finance, claims management and road safety.

The World Health Organisation has ranked Eswatini among the world's top 50 countries per capita for road fatalities. Like us, the country's publicly owned fund has set itself a target of halving road deaths by 2030.

New trial empowers young Victorians to drive safe cars

We know that safe vehicles are among our most powerful tools in reducing road trauma. With this in mind, we're supporting a new pilot program that will help young Victorians overcome barriers in accessing safer cars.



Pictured: A new pilot program to get young people into safer cars was launched at our TAC Geelong headquarters.

We've contributed over \$50,000 towards the pilot program, which is being led by Empowr Mobility – a social enterprise that aims to improve access to safe vehicles, while developing safe driving behaviours and habits.

As part of the trial, Empowr has joined forces with organisations in regional hotspots to give four young drivers access to a safe and fit-for-purpose vehicle.

Ganbina, an indigenous school-to-work transition program, is trialling the program in Shepparton, while in Geelong, major regional employer Barwon Water will support the program through its trainee program.

The trial vehicles, provided by Insurance Australia Group, have been fitted with telematics to collect driving data and participants will use an app which provides real-time insights to help drivers learn how to be safer on the road.

Participants will have access to the vehicle for the duration of the three-month trial, improving their ability to connect with their local communities through work, education and social opportunities.

We believe this trial will not only have road safety benefits for the participants but also improve their social and community connection, as well as access to work and education.

Drivers of the future

Keeping children and young people safe on our roads is a key objective of the Victorian Road Safety Strategy 2021-2030. We will achieve this by continuing to invest in engaging educational initiatives and providing more opportunities for young people to become better drivers of the future.

L2P PROGRAM BREAKS BARRIERS

Inexperienced drivers are vulnerable on our roads, but enough practice can shape them into safe motorists.

Since its introduction in 2008, our L2P program has helped 15,000 young learner drivers gain 656,757 valuable practice hours and supported more than 7,000 participants to get their P plates.

In June 2022, the Victorian Government extended this important program, along with others, to provide free road safety education and professional driving lessons to almost 3,000 additional newly arrived migrants and disadvantaged young Victorians.

Our \$1.5 million Community Road Safety Grants Program will educate almost 600 recently arrived migrants and people from culturally and linguistically diverse backgrounds aged over 21. They'll receive five core education sessions covering road rules, driver behaviour, and pedestrian and cyclist safety, as well as up to two paid professional driving lessons if they hold a licence.

The program also supports learner drivers who can't access a supervising driver or vehicle to complete their minimum 120 hours. We'll provide them with a mentor, a vehicle and up to seven free professional driving lessons.

The program is expected to provide free, supervised driving experience to more than 2,249 participants and up to 16,017 professional driving lessons in 2022 alone.

ROAD TO ZERO – BUILDING BETTER DRIVERS OF THE FUTURE

Our TAC Road to Zero Education Complex is playing an important role in engaging young drivers of the future through innovative, curriculum-based programs that encourage students to apply health and science theory and principles to road safety.

Like many major Melbourne attractions, attendances were lower than anticipated in 2021/22, as a direct result of the ongoing COVID-19 pandemic.

Upwards of 2,600 secondary students participated in our curriculum-based programs during this time, taking the number of students and visitors who have attended the complex, located at the Melbourne Museum, to 122,000.

Our Road to Zero Outreach Program resumed for the second term of 2022, and visited regional schools in Horsham, Numurkah, Timboon and Kaniva.

School holiday activities, designed for children aged 12 and under, were conducted in January and April 2022, attracting 5,326 children and parents. In May 2022, almost 650 students piloted a new VCE Health and Human Development immersion program aimed at helping them to better understand the Ottawa Charter for Health Promotion and how it applies to Road Safety.

YOUNG MOVIE MAKERS DRIVE CHANGE

Our Split Second competition provides a unique channel for budding young filmmakers to play a part in driving down road trauma.

Together with Village Cinemas, we invited emerging creatives aged between 18 and 25 to create a 45-second film to make young drivers think about risky driving behaviours and attitudes.

Our 2021 winner, *To Die For* by Felix Barnett, featured a bartender creating a 'to die for' cocktail, emphasising that unlike his special concoction, drinking and driving do not go together. This creative concept won over the judges and it was selected from 300 entries.

Twenty-two year old Felix was awarded \$5,000 prize money and \$70,000 to work with award-winning production company The Sweetshop to produce *To Die For*. It was screened at Village Cinemas for six weeks, reaching thousands of moviegoers around the state.

VANESSA PROGRAM

The TAC has spent over 15 years establishing and refining the Vanessa program, which aims to educate young, high-risk Victorians aged 18-25 about the dangers of drink and drug driving, speed, distractions, vehicle safety, fatigue and a range of other key road safety issues. The program increased activity in 2021/22 after two years of disruption caused by the COVID-19 pandemic. Vanessa partnered with The Push All-Ages Tour in March (a series of dry events in regional Victoria), renewed its partnership with Deakin University Student Association to highlight distractions messaging, launched a TikTok channel, partnered with Hamilton E-Sports (a gaming event) and continued the Pre-Thinks pub program, where Vanessa road safety messaging is featured across more than 100 pubs across the state.



Community engagement

Local governments, clubs and grassroots organisations play a pivotal role in keeping their communities protected and connected. That's why we're fostering strong relationships with these groups to deliver better and more targeted road safety outcomes.

Among the initiatives undertaken in 2021/22 include:

WELCOME TO DESTINATION 2050

We're all vulnerable, and we all make mistakes. The *Welcome to Destination 2050: Victorian Road Safety module* outlines the steps we can all take to minimise risk on our roads and help to achieve our goal of eliminating deaths and very serious injuries by 2050.

This interactive eLearning module, accessible through our TAC website, highlights the tools and solutions that are already in place and explains how we can all embrace safer roads, vehicles, speeds and people.

It's designed for organisations and community groups and can be downloaded in four languages: English, Chinese, Punjabi and Vietnamese.

TAC DRIVER BEHAVIOUR WEBINAR

Victoria's 79 municipal councils manage over 80 percent of the state's roads. They're also committed to keeping their communities safe, so they have the power to influence safer driving behaviours.

In 2021, we hosted a webinar series for local governments to share the findings from two significant pieces of research – the Community Engagement and Social Acceptability (CESAR) and Road Safety Monitor (RSM).

The CESAR and RSM studies provide important insights into community attitudes and perceptions towards a range of key issues, including speeding and drink driving.

The webinars gave us the perfect opportunity to explain how and why we invest in research like this and how it informs road safety policy. They also provided a valuable forum for participants to exchange knowledge about commuting habits and ideas that will deliver better road safety outcomes.

VARIABLE MESSAGE SIGN GUIDELINES

Variable Message Signs (VMS) are an important deterrent to risky driver behaviours, especially when used in conjunction with police enforcement programs.

These digital signs help local governments and road safety groups remind road users of rules, real-time road conditions and specific events in their region.

In 2021, we updated our guidelines to offer clear advice on placement and optimal messaging.

LOCAL GOVERNMENT AND VICTORIA POLICE FORUMS

The Victorian Road Safety Strategy 2021-30 commits to the ambitious target of eliminating death from our roads by 2050, with the first step of halving road deaths by 2030. We believe these targets are possible if all Victorians work together.

In 2022, our Road Safety, Community Engagement and Partnerships teams hosted seven road safety forums across Victoria for local governments and Victoria Police. We aimed to boost collaboration and help drive the strategy's implementation at a community level.

The forums included presentations from the TAC, Department of Transport and the Municipal Association of Victoria. We shared important information about road safety research, data, programs and initiatives and discussed priority region-specific topics.

TAC CLUB REWARDS

In partnership with AFL Victoria, our TAC Club Rewards Program provides the perfect platform to speak to the regional Victorians who travel hundreds of kilometres on our rural road network every year.

The program educates young players and members of affiliated football and netball clubs, raising awareness of the dangers associated with speed, drink and drug driving, fatigue and distractions.

In 2021, more than 150 local football and netball clubs across the state were rewarded for their efforts in keeping their communities safe, with grants of up to \$10,000.



We distributed a total of \$1.3 million to clubs for a range of initiatives including safety improvements, new uniforms, equipment and facilities, medical training and mental health sessions to help clubs bounce back from the financial impact of the COVID-19 pandemic.

We've been partners with AFL Victoria for 31 years now, but our message is just as relevant today as it was in 1992.

AMBER COMMUNITY

The TAC's partnership with Amber Community – formerly Road Trauma Support Services Victoria – supports free, professional, face-to-face and telephone counselling services provided to thousands of Victorians affected by road trauma. In 2022 we again supported the organisation's annual *Shine a Light on Road Safety Walk*, which raised over \$50,000 to fund education, support injured and bereaved Victorians, and help save Victorian lives.

Pictured: The 2022 Victorian Open Golf Championships, staged at 13th Beach, included Australia's first-ever Wheelchair Golf Championship – made possible with the support of the TAC, disability support organisation GenU and the Barwon Heads Golf Club.

Together our organisations helped raise more than \$100,000 to fund two Paragolfers – a powerchair that enables seated players to stand and play golf. There are now around 40 paragolfers in Australia, giving people living with disability a chance to enjoy the sport.



Our partnerships

We choose our road safety community and corporate partnerships carefully. The businesses, organisations and community groups we work with all share our vision and mission of saving lives and getting lives back on track.

Our partnerships cover a broad cross-section of community groups and activities, from cultural and sporting to health and disability. Our goal is to reach all road user groups across ages and those living in cities or country areas.

When choosing a partner, we consider how the association can save lives on roads, support our clients and others living with disability, contribute to the liveability of Geelong – where our head office is located – and promote equality, diversity and inclusion.

Our 2021/22 partnership and community engagement activities included.

AFL Victoria: **\$800,000**

In addition to the our significant TAC Club Rewards Program, our AFL Victoria partnership delivers:

- Road Safety Round - provides an opportunity for the TAC to engage with 1,000 AFL Victoria-affiliated clubs about the importance of road safety. Players, coaches, club members and the broader community are encouraged to initiate conversations and, by sporting a blue armband, to honour those who have lost their lives and 'band together' to help drive down road trauma.
- Unity Cup - Now into its 15th year, the Unity Cup has been an important vehicle for introducing young people from multicultural backgrounds to Australian Rules Football, and at the same time, generating road safety awareness. Hundreds of players participate in the round

robin format, which culminates in the Unity Cup Gala Day. The TAC's involvement in this event allows us to promote the L2P program, delivered in partnership with the Department of Transport, that matches mentors with learner drivers who don't have access to a supervising driver or vehicle – allowing them to reach the minimum 120 hours needed to gain their P Plates.

Melbourne Victory **\$400,000**

For 17 years the TAC has been a major partner of Melbourne Victory and we look forward to continuing our progress into the future. We use this relationship to promote our Drink Driving campaign to the club's 22,500-strong membership base and broader A-League community through innovative match day activations, digital engagement and business events. The TAC Kids Day Out was a 2021/22 season highlight where we worked with Victoria Police to provide 40 disadvantaged youths the opportunity to attend a Melbourne Victory match. Overall, the campaign successfully reached Melbourne Victory's fans.

Golf Australia **\$400,000**

Our partnership with the governing body for golf in Australia not only provided an important vehicle for connecting with the sport's ever-growing participation and supporter base, it has also helped the TAC assist those with disabilities – some as a result of road trauma – take up and enjoy golf. Following its cancellation in 2021,

the Victorian Open returned to Barwon Heads in February 2022 featuring Australia's first-ever Wheelchair Golf Championship - made possible with the support of the TAC, Geelong disability support organisation GenU and the Barwon Heads Golf Club.

City of Melbourne **\$200,000**

Our long-standing strategic partnership with the City of Melbourne has enabled us to communicate key pedestrian and other safety messages to the many millions of residents, workers and visitors who frequent the CBD. In 2021/22 we built on the success of this always-on partnership by leveraging engagement opportunities at premiere events including Melbourne Fashion Week, Melbourne Music Week, the City of Melbourne Christmas Festival and Moomba. Most recently, the TAC featured the Road to Zero virtual reality experience at Melbourne Knowledge Week.

Melbourne United **\$200,000**

Our partnership with Melbourne United helped to educate players and sponsors about the importance of vehicle safety and active safety features, and aimed to drive visitation to the How Safe is Your Car (HSIYC) website.

Melbourne International Comedy Festival **\$196,500**

Partnering with the Melbourne International Comedy Festival (MIFC) affords creative opportunities to educate audiences around Victoria about key road safety issues to ensure they get around the CBD and regional Victoria with care and caution during the Festival periods and beyond.

Our 'Walk with Care' and 'Drink. Driving. They're better apart' campaigns featured at venues, and comedians helped spread the word about pedestrian safety and drink-driving via social media channels. The festival also promoted zero-alcohol beverages to attendees.

Collingwood Magpies **\$175,000**

As a supporting partner of Collingwood's Super Netball team, Wheelchair Football team and Reclink Football team, the TAC worked closely with Collingwood to broaden opportunities to educate and promote important road safety campaigns to diverse community audiences.

Collingwood's Wheelchair team and associated programs support people with a disability to lead happier, more active lives – closely aligned to the TAC's aims to help people who have suffered road trauma to get their lives back on track. To the largely female-dominated Super Netball audience, the partnership allowed us to promote vehicle safety messaging.

Cricket Victoria **\$115,000**

With over two million Victorians identifying as cricket fans, the game dominates the Victoria's sporting landscape – especially over Christmas and New Year periods. With Victorians resuming travel and once again enjoying public gatherings after many months of restrictions, our 2021/22 partnership with the Melbourne Renegades provided an ideal opportunity to promote our new 'Drive Safely for Everyone' road safety campaign to Big Bash audiences.

Country Racing Victoria **\$91,000**

Race meetings are often held in small country towns, where public transportation might be limited and long days at the track can lead to celebrations and long drives home. Our partnership with Country Racing Victoria is important in encouraging attendees of country race meetings across the state to plan their day ahead and ensure they have a safe way of getting to and from the track. In particular, it raises awareness of the dangers associated with drink driving.

Hawthorn Football Club - Emergency Services Game **\$60,000**

In May 2022, the TAC again partnered with the Hawthorn Football Club for its annual Emergency Services Match against Richmond. This event provides an important opportunity to shine a spotlight on and thank Victoria's emergency service frontline workers and at the same time, raise awareness of the impact their important work can have on mental health.

Cinema Pop Up **\$30,000**

To communicate integrated Road Safety and Wildlife Victoria messages to Victorians across the summer period, the TAC partnered with Cinema Pop-up - a touring, outdoor cinema program that connects with young families in regional communities. The eight-week program visited Traralgon, Swan Hill, Wangaratta, Maryborough, Kilmore, Stawell, Echuca and Warrnambool.

The partnership highlighted the importance of reducing speed and being alert while driving on regional roads, urging motorists to remain vigilant and slow down on roads where wildlife is active, particularly from dusk till dawn.

LIVES BACK ON TRACK:

Road Trauma Families Victoria **\$22,500**

Road Trauma Families Victoria (RTFV) is a not-for-profit organisation formed in 2012 by families directly affected by road trauma. In 2022, the TAC supported the *Raw2Roar Traumatized Teens Camp*, which brought together youths aged 12-17 who had experienced road-related trauma, grief and loss with the aims of promoting positive self-esteem and values via resilience-focused interventions. This weekend-long experience is filled with activities, grief education and emotional support - all conducted in a safe and supportive environment.

GEELONG LIVEABILITY & OUR PEOPLE:

Give Where You Live (GWYL) **\$60,000**

Give Where You Live is one of Victoria's largest community grant makers. It is a catalyst for social change through innovative philanthropic solutions to challenging social problems. Our partnership with GWYL has provided valuable opportunities to actively involve our staff in fundraising events, enabling us to give back to the community that we are proud to be a part of, while enhancing Geelong's liveability as a place to both live and work.

Barwon Sports Academy (BSA) **\$30,000**

The Academy provides pathways for aspiring athletes to reach higher goals at State and National levels through development programs, sharing information, ideas and experiences. The BSA is a non-profit organisation which depends significantly on the support of its partners to ensure it can provide ongoing support to promising athletes in the Barwon Region.

Geelong Regional Football Committee – Victorian Country Championships **\$20,000**

In June 2022, we proudly partnered with the Geelong Regional Football Committee to support its annual Country Championships Junior Soccer Tournament. The event attracted approximately 5,000 people to Geelong for the Queen's Birthday long weekend football feast, with 64 teams from regional Victoria. The event also included several All-Abilities activities.

Geelong Regional Alliance (G21) **\$10,000**

Geelong Region Alliance (G21) is a network of government, business and community organisations formed to collectively focus on better living, health and economic outcomes for people living across the five municipalities of Colac Otway, Golden Plains, Greater Geelong, Queenscliffe and Surf Coast. The TAC partnered with G21 to support their 10th Stakeholder Forum in April 2022, which examined how the region can optimise liveability amid rapid population growth.

Community Road Safety Grant Program

Our Community Road Safety Grant Program provides grants of up to \$30,000 to help not-for-profit groups and community organisations improve road safety in their local area.

It supports the Victorian Road Safety Strategy 2021-2030, prioritising projects that make our roads safer for those most vulnerable, including pedestrians, cyclists and motorbike riders.

In 2021/22, the program supported 15 projects with more than \$365,000 in total funding.

LOCAL GOVERNMENT GRANT PROGRAM

With 85 percent of Victoria's local road network managed by local governments, it makes sense for us to support and build relationships with Victoria's 79 councils.

Local governments are well-placed to identify specific problems and prioritise safety in their decisions. Like the TAC, they recognise the many health benefits of walking and cycling and the need for safe and connected footpaths and cycle paths.

Our Local Government Grant Program supports projects with the potential to reduce, and where possible eliminate, the likelihood of death and serious injury for pedestrians and cyclists in local communities. It also helps local governments understand and advocate for the Victorian Road Safety Strategy 2021-2030.

In 2021/22, a total of \$1.36 million was shared among 30 projects improving road safety, with grants ranging between \$20,400 to \$100,000.



PROTECTING PRECIOUS CARGO

Melbourne-based not-for-profit St Kilda Mums received a \$25,000 TAC Community Road Safety Grant to continue their great work in keeping children safe on Victorian roads. They re-purpose and re-home donated and second-hand nursery items to parents in need, including baby and child car seats.

The TAC grant has helped St Kilda Mums source and donate safe child car restraints and baby capsules to those in need, so that they can travel safely with their most precious cargo.

In May 2022, client Alex Eleftheriou spoke at a National Road Safety Week forum, hosted by the TAC, to shine a light on the impacts of road trauma for all involved.

The aspiring carpenter was just 26 when in 2012 he took a shortcut on his motorbike that he had taken “a million times” to save a few minutes and was struck by a car, sustaining life threatening injuries.

“It’s been a rough road, it’s been tiresome not only for me but for my family,” according to Alex.

“I’d like to say to everyone: don’t let my story be your story, but also don’t let my story be yours or your family’s story because those are the people that suffer the most.”





Supporting people affected by road trauma

For over 30 years, we've been supporting Victorians who've been injured on our roads to get their lives back on track. To make a difference in our role, we're committed to evolving our organisation and making the changes we need to provide better support.



**“It feels good to be supported
by the TAC because I don’t
have family here. It’s great to
know that there is someone
I can ask for help if I need it.”**

Ahmed, TAC client



Providing targeted support

In 2021/22 we supported more than 43,000 Victorians with their accident insurance claims. While most of our clients will fully recover, others will experience more complex – and potentially life-altering – mental and physical injuries. These people may need our support for the rest of their lives.

Our client divisions ensure our clients have immediate and ongoing access to the help they need, when they need it. This includes our Complex Recovery and Serious Injury division and our Rapid Recovery division.

COMPLEX RECOVERY AND SERIOUS INJURY (CR&SI)

This division manages the claims of over 22,000 people. The range of our clients' injuries is broad – both accident and non-accident-related. While some people will need our support for weeks or months, others, including around 7,000 people who've experienced a life-changing disability, will be with us for years – and potentially for the rest of their lives.

Our aims for our CR&SI division are to support our clients and their families with significant and/or complex injuries and disabilities, determine and deliver compensation, and deliver claims legal services.

The short and long-term care needs of our clients in this division account for around 80 percent of our total annual liability.

RAPID RECOVERY

Our Rapid Recovery division is the first point of contact for those who've experienced road trauma. Through this division, we directly support 80 percent of our clients in their recovery journey.

Most people are able to recover with minimal intervention and are in and out of the scheme within a few weeks. Some, however, are with us for many months and need return-to-work and extended health support.

We can start supporting our clients immediately after an accident. Our trauma team works with hospitals to gather the information they need to ensure the next steps in a client's back-on-track process happen as quickly and seamlessly as possible. This includes rehabilitation and support for returning to work.

In this division, we respond to over 1,000 calls a day from both clients and health care providers enquiring about claims and payments.

Moving to a more contemporary scheme

We launched our TAC 2025 Strategy in December 2021. Shaped by extensive feedback from clients and key health industry stakeholders, it puts our 60,000 clients at the centre of all decision-making – giving them greater say in their own recovery. It also provides us with a roadmap for the next phase of our evolution.

The world has dramatically changed over the past couple of years. More than just a result of COVID-19, we're seeing changed attitudes to care, and a shift to more sustainable industry practices that are capable of coping with population growth and the anticipated increase in demand for services.

TAC 2025 allows us to embrace the opportunities the pandemic has presented – to think differently about who we are and how we function.

That's why we're building a Next Generation Claims Model and adopting internationally-recognised Value Based Health Care practices – both of which will deliver better client outcomes, in a socially-acceptable and sustainable way.

VALUE BASED HEALTH CARE

Value Based Health Care (VBHC) is core to our TAC 2025 Strategy. Through efficient, cost-effective and high-quality care, it gives patients more say in their treatment, and helps them to achieve the outcomes that matter most to them.

Over time, our clients will be more empowered and better supported to achieve their goals, and become more involved in their healthcare plan. Providers will have clearer expectations for the care they deliver, and we'll be funding the best value-for-money service to the entire Victorian community.

Ultimately, this new approach will deliver improved client outcomes, lower costs, higher patient satisfaction, a positive culture of partnership, and accountability with providers and patients.

NEXT GENERATION CLAIMS MODEL

Our Next Generation Claims Model (NGCM) is about getting our clients from claim to compensation in the most efficient and satisfying way possible – and providing ongoing support where they need it.

Our aim is to seamlessly anticipate our clients' needs using improved insight and analytics tools. We'll use new digital tools to continuously improve our services as we learn more from each client and their unique experiences. By knowing more about their needs, we can better tailor our services.

Moving to a NGCM means faster and better outcomes. We'll make improvements at every touchpoint of the claims journey – even before an accident happens – supported by a mix of human interaction and enabling technologies.

This approach will provide more personalised, empathetic support and guidance – giving our clients greater choice, control and direction throughout their recovery. By being clearer about what our role is, we can better support our clients to navigate the rest of the health system, and help them make better-informed choices about their treatment and care.

UNLOCKING OUR BUSINESS DATA POTENTIAL

Over more than three decades we have built an incredible resource of data and analytics that not only helps explain the past, but will be invaluable in shaping our future decision-making.

Through our TAC 2025 Strategy we have committed to establishing an enterprise-wide approach to better management, governance and translation of these important insights.

This multi-year transformation is well advanced and is progressively delivering contemporary analytics tools, including a new cloud based data warehouse with the capability of replicating data from source systems in real time.

These new ways of working are bringing stronger and more efficient management and security, privacy governance. Ultimately this project will deliver quicker, more reliable and trusted data and reporting, greater insight and data driven decision making - leading to improved client and provider experience and outcomes.

Supporting clients to get back to work

Returning to work is an important and immensely beneficial step for our clients to make – for their own independence, sense of identity and health, their families, their workplace and for the broader Victorian community.



In 2021/22, 2,176 of our Rapid Recovery clients and 839 of our most seriously injured clients returned to work.

This would not have been possible without the hard work and dedication of our clients, their employers, treating teams and TAC staff.

Our organisation is continually looking at new and different ways to help clients return to employment and to engage with willing employees.

A survey of staff experiences was undertaken and new teams were established to provide a greater focus on three separate client return to work groups: clients who had a job prior to their accident, clients who are self-employed, and clients who are looking for work.

“I love getting into the workshop. I was a welder before my accident so it’s great to be able to do that again. I feel so much better about myself when I’m working”

**Stephen,
TAC client**

Putting clients at the centre of our decision-making

The past two years have taught us many things, including the need to be flexible and innovative and the importance of modern technology in enabling us to do our job in a hybrid working environment.

Our priority throughout the still-continuing COVID-19 pandemic has been to ensure our clients remained connected, felt supported and that none slipped through the gaps of uncertainty caused by restrictions in activity.

Though disruptive, the pandemic also provided an opportunity to look with fresh eyes across our client facing divisions for new and different ways of staying connected with our clients and ensuring they remained supported.

ADAPTING WITH OUR CONTACT PROJECT

The transition to new enabling phone and communication systems gathered pace in 2021/22 through our ConTACt Project.

This initiative is making our services more accessible, improving client experiences and is ensuring our people are well equipped to work flexibly.

As part of the ConTACt Project, we've simplified and improved how we answer and manage calls, so that all of our customers can expect to have their enquiries answered and returned in a timely manner – from either the office or remotely.

Key project outcomes include:

- the roll out of new softphone technology is now enabling employees to make and receive calls through their computers. This technology is not only saving time, but also ensuring clients are transferred to the right person the first time.
- the introduction of a 'call back assist' option is giving clients choice and control over their interactions with our Customer Service and Lodgement Teams. The option of receiving a call back rather than waiting in a call queue is more efficient and providing a better customer service experience through reduced wait times.
- a new appointment booking function is offering clients the ability to organise a time to talk to their claims manager that best works for them, and
- we have also established a new set of staff expectations of how we interact with customers and respond to all enquiries, with the aim of having one unified TAC voice.

OUR CONTINUOUS DELIVERY PROGRAM

Our Continuous Delivery program is transforming our core Claims Management systems. This includes our main internal directory, the client app myTAC, and the digital point of sale healthcare provider payment platform, LanternPay. The aim of the program is to improve how we interact with and understand our clients through the information we initially gather from them when they lodge with us.

One of our key achievements has been the introduction of digital remittances – an important step in removing time delays and transitioning away from sending more than 20,000 paper remittances each month. Clients and providers now have access to our remittances within 24 hours of payment and can also easily access payment history information and reports.

Our Continuous Delivery Team's other achievements include:

- a revamped and improved Home Modifications process, designed to reduce waste and maximise outcomes for our clients
- further improvements and fixes to the Attendant Care Service Decisions process and the indexing process
- a new Service Decisions process to support decision making and reduce incorrect payments.

OUR CARE COORDINATION PILOT

We set up our Care Coordination Pilot program to improve outcomes for clients with complex wellbeing needs. So far, early results have been positive.

Through the pilot, we wanted to identify the effectiveness of having highly-experienced care coordinators facilitate access to the right short-term programs, at the right time, within our clients' local community.

Using modern health-coaching methodologies, our Care Coordinators worked with clients to help them develop self-management skills, health literacy and independence – so they could self-manage their health and wellbeing after the program ended.

Through the pilot, we referred 275 of our clients to a contracted Care Coordination provider. Over 70 percent of them engaged with the program, and the majority successfully achieved their wellbeing goals. We found that both clients and staff valued the face-to-face delivery of the program.

We're expecting to complete a comprehensive evaluation of the Care Coordination Pilot by December 2022.

OUR CLIENT PLANNING INITIATIVE

Through our TAC 2025 Strategy, we're making client-centered planning central to our claims management – now and into the future. Not only is this key to achieving the best outcomes for clients with the most complex recovery pathways and catastrophic injuries, it's crucial for the good governance and control we need to keep our scheme financially viable.

Our Complex Recovery and Serious Injury (CR&SI) division piloted a new Client Planning Initiative aimed at removing system inefficiencies and speeding up real-time claims processes. At the centre of this is MyPlan – a single integrated tool designed to streamline our existing functions, be accessible to all our claims areas, and most importantly, give our most seriously injured clients access to the right services and support to reach their long-term, life-back-on-track goals.

Due to the initiative's obvious benefits for our clients and the business, we've prioritised it. It's the product of months of careful planning, workshops with key stakeholders, extensive feedback and the deployment of new enabling technologies.

BUILDING A BETTER CLIENT HOUSING STRATEGY

We support most of our clients in their own homes, and we continue to operate properties under our wholly-owned RIPL (Residential Independent Pty Ltd).

These provide suitable accommodation for a small number of clients with specific housing needs arising from their transport accident. We have used some RIPL capacity and have created a small transitional living service to support some newly injured clients achieve an early discharge from hospital.

In addition, we continue to partner with Monash University with longitudinal research on the outcomes that can be achieved with good housing design.

We also know that some clients experience barriers in finding suitable housing and that housing insecurity can be a barrier for these clients in regaining independence and being able to get their lives back on track.

Through our Client Housing Strategy (CHS) we are exploring options and alternatives to partner more closely with the housing sector so that clients who experience housing insecurity can be better supported.

Employment pathway recognised



“It’s been quite a journey and a gradual improvement over time. The next big step is to get back to teaching in some way.”

Scott, Client and CoLab participant

Co-developed with Monash University, our Employment CoLab Pathway was recognised at the national Personal Injury Education Foundation (PIEF) 2021 Awards. It’s an innovative approach to helping people with an Acquired Brain Injury (ABI) return to meaningful paid employment.

We’re thrilled that our Complex Recovery and Serious Injury Work Lead, Sarah Johnstone, was named joint winner of the award for Excellence in Personal Injury and Disability Management Return to Work/Community Award.

The Employment CoLab Pathway supported people with ABI into paid employment through collaborative work with employers. It began in April 2019 and was completed in March 2021, jointly funded by Jobs Victoria and the TAC.

“It is such an honour to be nominated let alone win an award like this. I am very privileged to do the work that I do and love the positive impact it can have on our client’s lives. It has been a fantastic initiative that I hope continues to influence the way we approach employment for people with ABI and more broadly for people with disability.”

Sarah Johnstone, Work Lead
TAC Strategy, Sectors and Research Division

Research and innovation

The TAC has always invested in and backed quality research that improves the health, care and life outcomes of our clients and the broader community.

Our research lifts accountability, informs our policy making, directs where and how we focus our resources and determines how we interact with and support those impacted by road trauma.

The large-scale impacts of the ongoing COVID19 pandemic together with rapid changes in social care and health sectors further underscore the importance of investment in research.

Key research undertaken in 2021/22 included:

BETTER FUNCTIONAL OUTCOMES IN TRAUMA

A new model of care trialled by Victoria's leading trauma hospital, The Alfred, has delivered promising outcomes for patients recovering from significant accidents, including TAC clients.

Funded by the TAC, the Allied Health Model of Care (AHMOC) pilot considered the benefits of extending allied health services beyond the traditional 'Monday to Friday' approach, by adopting an innovative multidisciplinary model that provided a greater intensity of therapy to patients from Monday through to Sunday.

As a result of the changes, the allocated therapy time for each trauma patient increased from 2.2 hours per day under the original five day model to 3.5 hours per day.

An extensive Monash University evaluation of the trial found:

- an increase in the prevalence of allied health service usage and the number of services received by patients
- a large increase in the prevalence of weekend allied health services provided

- a 2-day reduction in the median hospital length of stay
- a significant reduction in the rate of discharge to inpatient rehabilitation; 37% at baseline and 28% in the AHMOC phase.

In addition, the AHMOC was found to be more cost-effective, expending less money for better health outcomes.

With The Alfred managing approximately 1500-2000 major trauma patients each year, and discharging around 20-25 each week, these outcomes are significant and indicate this new model of care could serve as an exemplar at major trauma centres both nationally and internationally.

CYBERABILITY: HELPING PEOPLE LIVING WITH AN ABI STAY SAFE FROM ONLINE SCAMS

Incidents of cybercrime have soared in Australia - particularly during the COVID-19 pandemic, with many people spending more time online during restrictions.

People with an acquired brain injury (ABI) may be more susceptible to scams due to their cognitive, psychological and social vulnerabilities.

With funding from the TAC Small Grants Program, Dr Kate Gould led a team of researchers, clinicians, and people with living experience of ABI in the co-creation of an intervention called 'CyberABILITY.'

The intervention is specifically designed for people with ABI to increase their online safety skills, scam awareness and ability to self-manage a reduction in their online risk exposure. Launched in October 2021, CyberABILITY includes free online self-directed training, an individualised workbook and peer workshops.

Through this initiative, clients and others living with an ABI are better able to mitigate risk of exposure to fraudulent, distressing and costly cybercrimes, and improve emotional recovery. This in turn enhances their quality of life by maximising their online participation, safety, confidence and autonomy.

TELEHEALTH RESEARCH

In 2021/22, the TAC commissioned two evaluation projects to provide an understanding of how services delivered via telehealth have supported clients and providers through the COVID-19 pandemic.

As part of this work, a Monash University research team has conducted a series of interviews with seriously injured hospitalised clients, healthcare providers and TAC staff.

This research also aims to better understand the cost-effectiveness of telehealth compared to face-to-face delivered health service use.

Early insights indicate telehealth delivery was considered beneficial. However, service quality was dependent on a range of client, provider, technology, session type, and environment characteristics.

A second evaluation project, being undertaken in partnership with Deakin University, aims to evaluate telehealth services for our non-hospitalised clients. A key component of this research is tracking how often one client group receives services across a 12 month period and examining relationships with recovery outcomes.

Findings from both of these projects will provide valuable insights about how clients and providers benefit from telehealth service delivery and ways in which we, and the broader health sector, can improve service delivery in the future.

Giving our clients a stronger voice

Through our TAC 2025 Strategy, the TAC is committed to putting our clients at the centre of all of our decision-making. To do this, we need to first understand their experience.

Every year, via various channels, we aim to better understand the effectiveness of our services and how they can be improved. This includes our annual Client Outcomes and Experience Survey of some 3,000 clients which, seeks an honest assessment of our efforts in post-accident support and assistance in returning to work.

The feedback received has been especially important during the COVID-19 pandemic. We know this global health crisis has been particularly challenging for those who rely on a reliable and effective health system – as many of our clients do – in getting their lives back on track.

Participants in our 2021/22 Client Outcomes and Experience Survey gave a Client Satisfaction Score of 6.87 out of a possible 10 points. The Life Back on Track Outcomes score was 6.83 out of a possible 10 points.

We will continue to communicate, listen, learn and where necessary, implement change to ensure our clients feel heard and supported.

“They were very efficient and helpful by giving me good advice on what process needed to happen. They were efficient in providing me with the payments of the claim. They were always available whenever I needed to know anything.”

TAC Client

REMOVING BARRIERS THROUGH COMMON LAW

The TAC provides common law entitlements to clients seriously injured in a road accident through no fault of their own.

In 2021–2022, the TAC paid compensation to over 1260 clients and granted 1,428 serious injury certificates.

Recognising the potentially stressful impact the compensation process can have on our clients, we also proactively identify clients who may have a common law entitlement and work with the plaintiff solicitor community through a world-leading set of protocols to deliver benefits in a timely way.

Last financial year, we surpassed previous results for proactive granting, initiating the common law process for 126 clients. We also worked with the plaintiff solicitor community to fast track 88 serious injury and common law settlements.

Complaints and disputes

COMPLAINTS

We take complaints and feedback seriously; formal complaints are directed to our Complaints Office for management. These matters may include enquiries to the Chief Executive Office and the Victorian Ombudsman. In 2021/22 we received 845 formal complaints, an increase from the prior year which recorded 812 formal complaints.

MODEL LITIGANT

The Model Litigant Guidelines (the Guidelines) provide principles by which Victorian Government agencies must display before, during and after litigation. The Guidelines require an agency to act fairly and consistently to avoid litigation, pay legitimate claims promptly and to minimise legal costs. Within the year, we did not receive any Model Litigant complaints.

INFORMAL REVIEWS

There were 478 requests for an Informal Review and 20 Notices of Intent (NOI) to dispute a decision lodged by clients in 2021/22. This compares to 707 and 25 respectively the previous year.

The median time to resolve informal reviews was 20 days compared to 30 days last year.

Approximately 85 percent of informal reviews were finalised within four months, which is stable compared to last year at 89 percent. The TAC's original decision was maintained in 60 percent of cases, compared to 43 percent last year.

NO FAULT DISPUTE RESOLUTION PROTOCOLS

No Fault Dispute Resolution Protocols (The Protocols), were implemented in 2005 in collaboration with legal stakeholders. This was to provide an alternative dispute resolution process to the formal dispute process at VCAT. This was done with the view to reducing the time and cost to resolve disputes about our decisions.

We continue to work with the legal community to negotiate improvements in the dispute process to achieve better outcomes for clients.

In 2021/22, the total number of dispute applications lodged pursuant to The Protocols was 1,387, compared to 1,632 in 2020/21.

MERIT REVIEWS

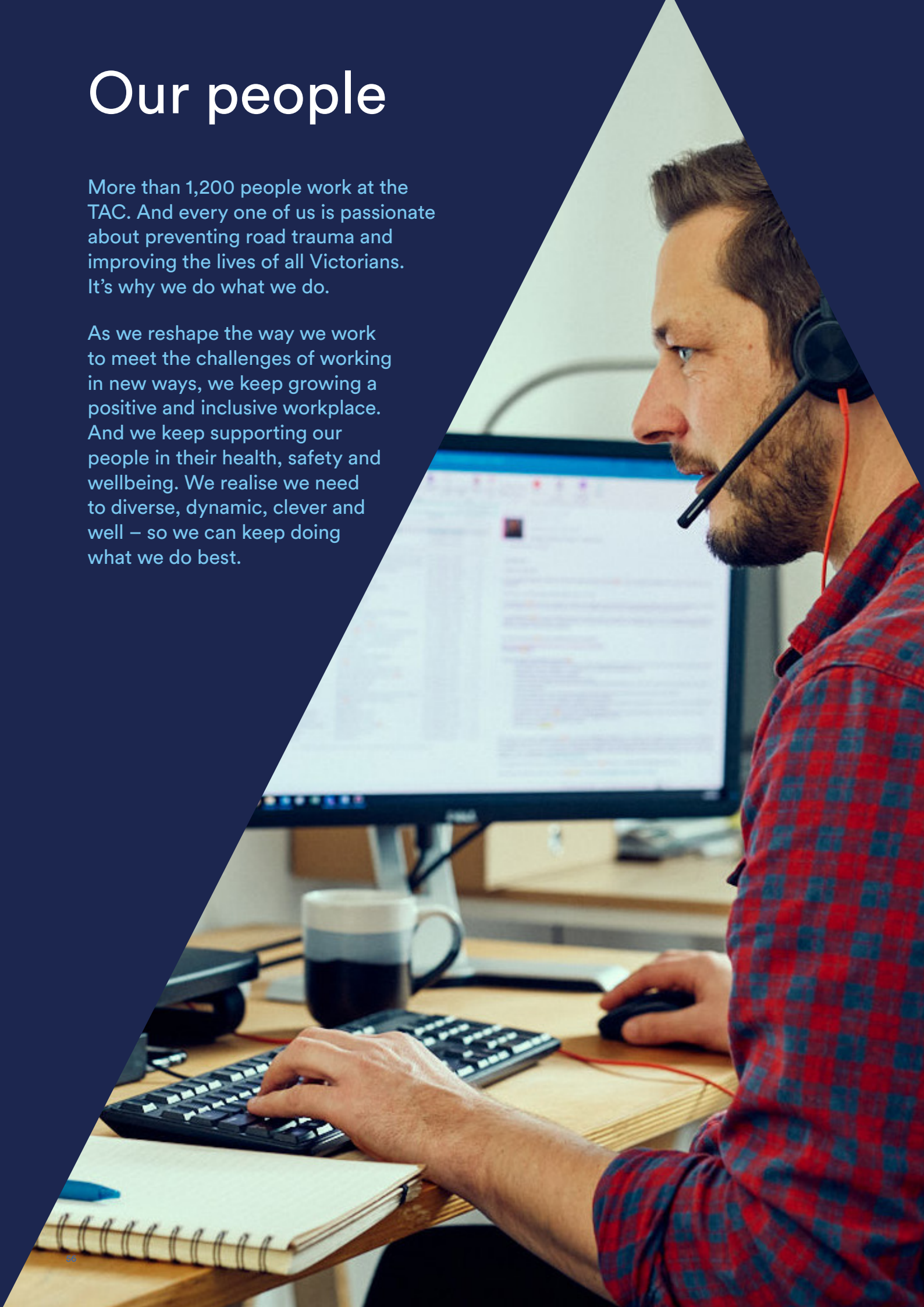
The *Transport Accident Act 1986* (the Act) now allows an applicant three months from the conclusion of the No Fault Dispute Resolution Protocols (The Protocols) to lodge an application for merit review with VCAT. For applicants who have not participated in the dispute resolution protocols under The Protocols, a merit review application must be lodged within 12 months of the date of the decision.

A total number of 276 merit review applications were lodged with VCAT in 2021/22, which is the same as the 276 applications that were received in the previous year.

Our people

More than 1,200 people work at the TAC. And every one of us is passionate about preventing road trauma and improving the lives of all Victorians. It's why we do what we do.

As we reshape the way we work to meet the challenges of working in new ways, we keep growing a positive and inclusive workplace. And we keep supporting our people in their health, safety and wellbeing. We realise we need to diverse, dynamic, clever and well – so we can keep doing what we do best.





1,200+

employees



72%

identify as women



15

Nationalities



19

languages



50/50

leadership gender ratio



80%

employee engagement score,
85% participation rate

Our new way of working

Across the world the way people work has fundamentally changed. At the TAC, we know we need to be agile and we need to empower our people to provide the best outcomes now, and into the future.

In the past 12 months we've been skilling up – equipping our people with the knowledge and skills they need to excel in a hybrid working model. The type of work we do, how our teams collaborate and the services we provide keep guiding our flexibility. More than ever, we're committed to balancing the needs of our people, our clients and the Victorian community.

At the heart of our hybrid working model are three key focus areas: people, workplace and technology.

PEOPLE

Our people are engaged. They truly care about the work we do together to support those injured on our roads and to promote road safety. Our flexible hybrid working framework supports and empowers our people to thrive and to do their best work, whether they're in the office or working remotely.

We've already started delivering on this front. We've clearly defined what hybrid working means at the TAC and we're building the capabilities people need to transition to our new way of working.

In 2021/2022 we kept the health, safety and wellbeing of our people at our heart. We put in place a range of supports to make sure every one of our people could keep doing their job well while safely working from home.

WORKPLACE

During the year we established Flexible Working Guidelines to support our transition to a hybrid working model and align to the *Victorian Public Service Flexible Working Policy*. To support the shift, we delivered critical hybrid-enabling infrastructure as we kept meeting all government COVID-19 restrictions.

While the pandemic has shown us you don't have to be in the office to do your best work, our physical office continues to play an important role in our working week. Working face-to-face helps us innovate, collaborate and solve problems. It encourages us to build better relationships, support each other and connect socially.

As a major Geelong employer, we also know we have a role to play in bringing people into the Geelong CBD and contributing to the local economy.

TECHNOLOGY

Investing in reliable and integrated technology is the backbone of our hybrid working model. We've successfully integrated new tech and tools such as Microsoft Teams, softphones for all our people, and audio visual equipment to help us collaborate and support each other.

This isn't just about connecting our people within the organisation. It's also about connecting well with our external stakeholders – clients, health providers, government bodies, community partners, and legal practitioners. We need to communicate well right across our touchpoints to understand, serve, partner and provide on our promise to care for all Victorian road users.

Workplace data	2021	2022
Total number of employee (HC)	1,152	1,259
Total number of employee (FTE)	1,067.4	1,168.32
Males (HC)	339	349
Females (HC)	813	910
Full time (HC)	849	950
Part time (HC)	303	309
Average age	42	41.9

Health, safety and wellbeing

People are at the heart of everything we do at the TAC. This is why the health, safety and wellbeing of our people is our top priority. With the impact of the COVID-19 pandemic still being felt through the last year, we prioritised our active support of the mental and physical health, safety and wellbeing of our people.

OUR KEY INITIATIVES

To create a work environment that supports the health, safety and wellbeing of our people, we set out to understand what could be ahead and prepare our people for it, instead of waiting for it to happen. We designed our 2021/22 program to nurture resilience against a backdrop of uncertainty during the COVID-19 pandemic. Our multi-layered approach provided a mix of options for every one of our people, including:

- engaging guest speakers who shared their experiences of mental illness and their work in the community to promote recovery and destigmatise the issue
- introducing tailored mental health and awareness training
- engaging psychologists to provide office re-entry support and resources
- putting in place proactive physical health programs, including flu vaccination, men's and women's health checks, heart health and skin checks
- coordinating a virtual 'Step Ahead' movement challenge for our teams.

As the COVID-19 pandemic extended on through a gruelling second year, we kept supporting our people in ways that were real and meaningful. We tapped into what mattered to them to offer information and help that was relevant to them and their loved ones. We regularly reviewed and updated COVIDSafe plans and guidance, making sure our people had the latest information on how to maintain a safe work environment, whether they were working from home or in the office.

Initiatives to support our people through the pandemic included:

- up-to-date, clear and relevant employee guidelines and frequently asked questions
- mental and physical wellbeing programs delivered digitally and tailored to the home-based work environment
- additional carers leave for those with increased caring responsibilities as a result of the pandemic
- vaccination leave
- virtual ergonomic assessments conducted by an exercise physiologist to support healthy home-based working.

HEALTHY MIND BODY LIVING PORTAL

The Healthy Mind Body Living Portal is a central point for our people to dive into a wealth of information and resources to help them stay healthy and well, both professionally and personally. More than two thirds of our workforce has an active portal account. It also includes a Virtual Fitness Platform made up of a variety of sessions to support the physical and mental health of each of our people in the comfort of their own home.

EMPLOYEE ASSISTANCE PROGRAM

This program provides confidential 24/7 support to our people to help them prevent and deal with challenging times in their personal and/or professional life. Immediate family members can also access this support service.

Developing our people

We continued to deliver programs virtually through the year to meet the needs of our people in a remote working environment and support them to deliver outcomes for our clients and the community.

Areas of development included orientation and induction; health, safety and wellbeing; leadership development; role-based learning; professional development and compliance training.

Programs were well received and highly rated, with the number of participants more than double from the previous year.

At a glance

New employees

245 new employees were welcomed via our Orientation program. To support people in learning their new roles 1,287 induction training courses were also completed.

Role-based Learning

2,488 role-based training programs were completed, including training to 'Safeguard our Clients', 'Make Quality Claims Decisions', 'Contemporary Disability Practices', and more to equip our people with the skills to best service our clients.

Professional development

Three **whole-of-business workshops** were delivered and 1,600 self-paced learning resources were accessed by staff - with the aim of updating and broadening skills. In addition, each division undertook its own team-specific development sessions.

Compliance

Compliance continued to be a priority with **over 5,600 course completions** relating to varying risk areas.



Listening to our people

Through our active employee listening strategy, our people can share ideas and opinions on their experience working at the TAC.

PULSE SURVEY

In November 2021, we surveyed our people to check in on their wellbeing and understand their thinking on our shift to hybrid working.

Participation was high – 69 percent of our people participated. The results gave us a good indicator of people's wellbeing and their feelings about our workforce transformation. The pulse showed improvements on the majority of the 'energised' scores on the June Employee Opinion Survey (EOS) and positive sentiment towards our shift to hybrid working.

We've also provided a range of employee listening activities and pulse checks on specific topics, such as workplace experience. This has helped us stay centred on our people and their experiences as we design new initiatives around our shift to an effective hybrid working model.

ANNUAL EMPLOYEE OPINION SURVEY (EOS)

Each year we invite our people to participate in the EOS to answer a series of questions about working at the TAC. One of our key measurement categories is Sustainable Engagement, which breaks down the engagement, enablement and energy of our workforce. In June 2022, our Sustainable Engagement score was 80 – a 4-point increase on 2021. This result remains above the Australian norm for similar workplaces.

In what was another challenging year for everyone in the community as we continued to grapple with COVID-19, this result shows the strong engagement of our people and their commitment to achieving our strategic priorities. Through this latest survey we've gained valuable insight into the experience of our people at work. This will help us pinpoint where we can keep improving our people's experience in the coming years.



Working to reduce fraud

By constantly evaluating emerging risks and using contemporary analytical methods, models, intelligence gathering and reporting techniques, we're better equipped to identify potential fraud and claim anomalies.

The early identification of vulnerabilities, due to changes in service and benefit provision created by the global pandemic, has allowed our Forensics Group to expand our fraud risk assessments, improve proactive fraud detection capability and create diverse opportunities to enhance our monitoring activities.

We experienced an elevated fraud risk profile during the second year of the pandemic. This was due to telehealth, clients and providers supplying false information to us, provider billing anomalies, and clients potentially returning to work without notifying us.

Through our continuous monitoring, detection and response enhancements, we've seen significant growth in the number of reviews, investigations and prosecutions being initiated. Thankfully, this has disrupted fraudulent behaviour and provided both a general and specific deterrence to fraud being committed against us.

Throughout 2021/22, the following enforcement action was taken:

- 20 prosecutions were finalised through the Magistrates Court, totalling \$683,209 awarded to us in restitution.
- by the end of the year, 32 matters were still before the courts, where we alleged fraud against the scheme.
- nine more matters relate to clients wanted on warrant.

OUR BILLING REVIEW PROGRAM

During the financial year, we enhanced our proactive monitoring of service provider billing behaviour and adjusted our control landscape. This was supplemented by internal business referrals and information received from the public.

This program's focus is to ensure invoices that are supplied by service providers (and their subsequent payments) are an accurate reflection of the services provided to our clients.

For this reporting period, we undertook continuous monitoring and reviews on more than 200 providers across a broad range of disciplines, including surgery, physiotherapy, pharmacy, occupational therapy and general practitioners.

Managing our scheme

THE TAC'S OBJECTIVE

The TAC's objective is to ensure the agency's activities contribute to the TAC remaining financially sustainable.

INSURANCE FUNDING RATIO

The TAC recorded an insurance funding ratio of 148.6 percent as at 30 June 2022, currently sitting above the preferred range of 100 to 145 percent. This was lower than both budget expectations and last year's result of 161.7 percent, predominantly due to a lower investment return realised in 2021/22.

OPERATING RESULTS

In 2021/22, the TAC recorded a net operating profit of \$1,508.0 million. This outcome was largely driven by a reduction in claims incurred costs and an increase in the discount rate assumptions, as identified by the TAC's independent actuaries, PricewaterhouseCoopers. These favourable results were offset to an extent by a lower investment return in 2021/22.

The reduction in claims costs is a result of the significant impact of the TAC's scheme performance initiatives, which has seen the agency working closely with stakeholders to address the rising claims costs, strengthen controls and ensure that only services that can demonstrate better client outcomes are supported. Favourable results in 2021/22 were largely attributable to Treatment and Income benefits, with active claim numbers and payments generally being lower than projected.

The increase in discount rate assumptions had a full year positive impact on the claims liabilities of \$3.3 billion (after inflation assumption adjustments).

The TAC experienced an overall investment return of negative 1.7 percent in 2021/22. This was driven by investor concerns over high inflation levels, an economic slowdown and recession risks hitting market confidence in the latter half of the financial year. The on-going war in Ukraine also weighed heavily on investment markets. Over the ten-year period to June 2022, the TAC fund returned an average 8.8 percent per annum. This average annual return was higher than benchmark and the TAC's rolling ten year investment objective return of CPI plus 5 percent.

The TAC continued to invest in marketing and road safety initiatives and road infrastructure treatments in 2021/22. The latter forms part of the TAC's \$1.7 billion commitment to the State Government's Towards Zero road safety strategy. The TAC funded a total of \$94.2 million in marketing and road safety initiatives and \$82.1 million in road safety treatments as carried out by the Department of Transport.

TAC is expected to make a tax payment under the National Tax Equivalent Regime (NTER) to the State Government in 2022/23, following the strong financial performance in 2021/22.

While the TAC has reported a negative net asset position at 30 June 2022, it has been determined that the going concern assumption remains appropriate as the TAC will have positive cash projections over the foreseeable future.

TRANSPORT ACCIDENT CHARGE

Consistent with the *Transport Accident Act 1986*, transport accident charge levels for motorists increased in line with CPI (1.28 percent) on 1 July 2021. The TAC also covers people injured in train and tram accidents with charges paid by the railway and tramway managers to fund these claims. Transport accident charge levels for both railways and tramways are set following a review of claims experience by independent actuaries.



Financial report

Statement by

Chair, Chief Executive Officer and Chief Financial Officer

We certify that the financial report of the Transport Accident Commission has been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial statements, present fairly the financial transactions for the year ended 30 June 2022 and the financial position of the Transport Accident Commission as at that date.

We are not aware of any circumstances which would render any particulars included in the financial report misleading or inaccurate.

We authorise the financial report for issue on 25 August 2022.



Greg Wilson
Chair



Joe Calafiore
Chief Executive Officer



Tony Dudley
Chief Financial Officer

Independent Auditor's Report

To the Board of the Transport Accident Commission

Opinion	<p>I have audited the financial report of the Transport Accident Commission (the commission) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2022• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• Statement by the Chair, Chief Executive Officer and Chief Financial Officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the commission as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Key audit matters	<p>Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.</p>

Key audit matter	How I addressed the matter
Valuation of investment assets and investment related liabilities	
<p>Refer to Note 4.2 of the financial report for the accounting policy associated with the valuation of investment assets and related liabilities and Note 7.2 of the financial report for the methods and assumptions applied by management in valuing investment assets and related liabilities.</p>	
<p>Investment assets: \$17.5 billion</p>	<p>My key procedures included:</p>
<p>Investment related liabilities: \$623.1 million</p>	
<p>I considered this to be a key audit matter because:</p>	
<ul style="list-style-type: none"> • investment assets and related liabilities are financially significant • there are several types of investment assets and related liabilities with varying observable and unobservable inputs impacting how and when they are valued • sufficient and appropriate audit evidence may not be present for the valuation of some investment assets and related liabilities. This includes those with stale investment prices at reporting date and/or those which are subject to significant estimation uncertainty • the performance of financial markets fluctuated over the period impacting the value of investment assets and related investment related liabilities • the management of investment assets and related liabilities is outsourced to a fund manager and a master custodian • extensive disclosures are required by Australian accounting standards which are critical to the users understanding of the valuation of investment assets and related liabilities. 	<ul style="list-style-type: none"> • gaining an understanding of key controls over the outsourced arrangement, and assessing and testing their operating effectiveness • obtaining reports provided by the independent assurance auditor and: <ul style="list-style-type: none"> ○ assessing the adequacy of the scope of work agreed between management and the assurance auditor ○ assessing the professional competence and independence of the assurance auditor in the context of the engagement ○ evaluating findings provided in the assurance reports ○ relying on the assurance reports to confirm the description, design and operating effectiveness of controls at the fund manager and master custodian ○ relying on the assurance reports to confirm the existence, valuation and rights and obligations of investment assets and related liabilities at 30 June ○ assessing the impact of any limitations, disclaimers or exceptions noted in the assurance reports on the audit. • reviewing and assessing the impact of other representations given by the fund manager and master custodian • obtaining further audit evidence that the value of investment assets and related liabilities not covered in the independent assurance auditor's report were materially correct • assessing the completeness and adequacy of financial report disclosures against the requirements of Australian accounting standards.
<p>Management engaged an independent assurance auditor to report on the:</p>	
<ul style="list-style-type: none"> • description, design and operating effectiveness of controls at the fund manager and master custodian • existence, valuation and rights and obligations of investment assets and related liabilities at 30 June. 	

Key audit matter	How I addressed the matter
<p>Valuation of outstanding claims liability</p> <p>Refer to Note 2.1.2 of the financial report for the value of the outstanding claims liability and Note 2.1.3 of the financial report for the actuarial assumptions and methods applied by management in valuing the liability.</p> <hr/> <p>Outstanding claims liability - \$17.2 billion</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> the outstanding claims liability is financially significant the underlying model used to value the liability is complex the valuation of the liability is subject to significant management assumptions and estimation uncertainty a small adjustment to a key assumption may have a significant effect on the total value of the liability extensive disclosures are required by Australian accounting standards which are critical to the users understanding of the valuation of this liability. <p>Management engaged actuaries to value the liability as at 30 June.</p>	<p>My key procedures included:</p> <ul style="list-style-type: none"> assessing and testing the operating effectiveness of key controls supporting the underlying claims data used in the model assessing the completeness and accuracy of the claims data used in the model by reconciling this data to underlying claims data in the insurers systems assessing the professional competence and independence of management's actuary in the context of the engagement obtaining management's actuarial reports, and engaging an appropriately qualified independent actuary to: <ul style="list-style-type: none"> assess the appropriateness of management's selection and application of the methods, significant assumptions and data used in valuing the liability evaluate the appropriateness of the model used to value the liability challenge the reasonableness of key assumptions by comparing against claims history and accepted industry benchmarks assess the reasonableness of the reported liability value. assessing the adequacy of financial report disclosures against the requirements of applicable Australian accounting standards.
<p>Board's responsibilities for the financial report</p>	<p>The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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, but not for the purpose of expressing an opinion on the effectiveness of the commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board'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 commission'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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the commission 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.

Auditor's responsibilities for the audit of the financial report (continued)	From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
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MELBOURNE
9 September 2022



Andrew Greaves
Auditor-General

How this report is structured

The Transport Accident Commission (TAC) has pleasure in presenting its audited general purpose financial statements for the financial year ended 30 June 2022, providing users with the information about the TAC's stewardship of resources entrusted to it. It is presented in the following structure:

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Financial Statements

Comprehensive Operating Statement

for the financial year ended 30 June 2022

	Note	2022 \$000	2021 \$000
Premium revenue		2,019,555	1,978,743
Premium collection fees		(30,345)	(40,423)
Net premium revenue	3.1	1,989,210	1,938,320
Unexpired risk liability	3.4(b)	118,477	(157,568)
Gross claims incurred		1,254,682	(208,159)
Claims recoveries revenue		6,216	13,063
Net claims incurred	2.1.1	1,260,898	(195,096)
Administration costs	5.1	(204,815)	(197,253)
Marketing and road safety		(94,169)	(83,205)
Safer system road infrastructure		(82,118)	(191,564)
Health, compensation and disability research		(5,222)	(7,097)
Underwriting expenses		(386,324)	(479,119)
Underwriting profit / (loss)		2,982,261	1,106,537
Investment income		(257,914)	2,459,034
Investment expense		(42,759)	(40,847)
Net investment income	4.1	(300,673)	2,418,187
Repayment of capital	6.3	(400,000)	-
Profit / (loss) before income tax		2,281,588	3,524,724
Income tax benefit / (expense)	6.1	(773,580)	(1,049,187)
Net result for the year		1,508,008	2,475,537
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive result for the year		1,508,008	2,475,537

The above comprehensive operating statement should be read in conjunction with the accompanying notes to the financial statements.

Balance Sheet

as at 30 June 2022

	Note	2022 \$000	2021 \$000
Current assets			
Cash and cash equivalents	4.3	45,267	61,424
Claims receivable	2.1.2	88,549	87,693
Premiums receivable		12,052	10,240
Other receivables		3,415	5,129
Investments	4.2	2,977,507	3,135,409
Deferred acquisition costs	3.2	214	-
Other assets		11,325	8,386
Total current assets		3,138,329	3,308,281
Non-current assets			
Claims receivable	2.1.2	736,143	857,679
Other receivables		5	7
Investments	4.2	14,567,352	14,595,517
Controlled entity	8.6	39,100	36,600
Property, plant and equipment		109,310	117,745
Intangibles		46,062	46,232
Deferred tax assets	6.2	606,521	1,045,583
Total non-current assets		16,104,493	16,699,363
Total assets		19,242,822	20,007,644
Current liabilities			
Outstanding claims	2.1.2	1,609,302	1,595,826
Unearned premiums	3.3	810,244	776,270
Unexpired risk	3.4	-	138,280
Advance premiums		58,568	55,271
Investment related liabilities	4.2	462,658	315,820
Payables		105,531	86,044
Provisions		30,172	35,394
Provision for Income Tax		334,518	-
Lease liabilities		7,357	6,928
Total current liabilities		3,418,350	3,009,833
Non-current liabilities			
Outstanding claims	2.1.2	15,629,705	18,465,598
Investment related liabilities	4.2	160,431	-
Provisions		4,873	5,184
Lease liabilities		102,047	107,621
Total non-current liabilities		15,897,056	18,578,403
Total liabilities		19,315,406	21,588,236
Net assets / (liabilities)		(72,584)	(1,580,592)
Equity			
Reserves		27,672	23,710
Accumulated surplus / (deficit)		(100,256)	(1,604,302)
Total equity		(72,584)	(1,580,592)

The above balance sheet should be read in conjunction with the accompanying notes to the financial statements.

Statement of Changes in Equity

for the financial year ended 30 June 2022

	Motorcycle road safety reserve \$000	Accumulated surplus / (deficit) \$000	Total \$000
At 1 July 2020	20,983	(4,077,112)	(4,056,129)
Total comprehensive result			
Net result for the year	-	2,475,537	2,475,537
Other comprehensive income	-	-	-
Total comprehensive result for the year	-	2,475,537	2,475,537
Transactions with owners, recorded directly in equity			
Transfer from accumulated surplus to motorcycle road safety reserve	8,061	(8,061)	-
Transfer from motorcycle road safety reserve to accumulated surplus	(5,334)	5,334	-
Total transactions with owners	2,727	(2,727)	-
At 30 June 2021	23,710	(1,604,302)	(1,580,592)
Total comprehensive result			
Net result for the year	-	1,508,008	1,508,008
Other comprehensive income	-	-	-
Total comprehensive result for the year	-	1,508,008	1,508,008
Transactions with owners, recorded directly in equity			
Transfer from accumulated surplus to motorcycle road safety reserve	8,334	(8,334)	-
Transfer from motorcycle road safety reserve to accumulated surplus	(4,372)	4,372	-
Total transactions with owners	3,962	(3,962)	-
At 30 June 2022	27,672	(100,256)	(72,584)

The above statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Cash Flow Statement

for the financial year ended 30 June 2022

	Note	2022 \$000	2021 \$000
Cash flows from operating activities			
Premiums received		2,259,971	2,188,164
Dividends received		1,301,821	655,148
Interest received		2,027	7,895
Claims paid		(1,541,776)	(1,568,087)
Claims recoveries received		7,367	9,008
Payments to suppliers and employees		(264,842)	(255,991)
Payments for marketing and road safety projects		(93,995)	(101,701)
Payments for trauma projects and safer road infrastructure expenditure		(111,966)	(264,925)
Goods and services tax paid		(81,921)	(61,228)
Net cash inflow from operating activities	4.3(b)	1,476,686	608,283
Cash flows from investing activities			
Purchase of investments		(4,885,954)	(4,085,502)
Sale of investments		3,102,070	3,520,891
Funds provided to controlled entity		(2,500)	-
Purchase of plant and equipment		(1,497)	(594)
Proceeds from sale of plant and equipment		542	638
Expenditure on intangibles		(11,608)	(9,967)
Net cash outflow from investing activities		(1,798,947)	(574,534)
Cash flows from financing activities			
Repayment of lease principal		(9,354)	(9,281)
Repayment of capital	6.3	(400,000)	-
Net cash outflow from financing activities		(409,354)	(9,281)
Net increase in cash and cash equivalents		(731,615)	24,468
Cash and cash equivalents at the beginning of the year		2,182,919	2,156,465
Effects of exchange rate changes on cash held in foreign currencies		(287)	1,986
Cash and cash equivalents at end of the year	4.3(a)	1,451,017	2,182,919

The above cash flow statement should be read in conjunction with the accompanying notes to the financial statements.

Notes to the financial statements

1. About This Report

The TAC is a Government-owned enterprise, established under the *Transport Accident Act 1986* to reduce the social and financial cost of transport accident injuries to the Victorian community.

Its principal address is:

Transport Accident Commission
60 Brougham St
Geelong VIC 3220

For the purposes of this financial report prepared under Australian Accounting Standards, policy refers to the cover provided under the *Transport Accident Act 1986*.

The financial report has been prepared on a going concern basis. While the TAC recorded negative net assets as at 30 June 2022 of \$73 million (2021: negative \$1,581 million), it delivered a net result for the year of \$1,508 million (2021: \$2,476 million) and positive cash flows from operating activities of \$1,477 million (2021: \$608 million). Based on the cash flow projections being positive twelve months from the signing of the financial statements, the Directors have concluded that the going concern assumption of the TAC remains appropriate.

Basis of preparation

This financial report has been prepared on an accruals basis, and is based on historical costs, except for outstanding claims liabilities, recovery receivables, employee leave liabilities (which are reported at present value) and investments and plant and equipment (which are reported at fair value). Cost is based on the fair values of the consideration given in exchange for assets.

The functional and presentation currency of the TAC is the Australian dollar. Amounts have been rounded to the nearest thousand dollars unless otherwise stated.

In the application of Australian Accounting Standards, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Critical estimates and assumptions for the year ended 30 June 2022 include consideration of the COVID-19 pandemic.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial report and estimates with a significant risk of material adjustments in the next year are disclosed in notes 2.1.2, 2.1.3, 6.2 and 7.3 in the financial report.

Compliance information

The financial report is a general purpose financial report which has been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The Assistant Treasurer has determined that the TAC is a 'for-profit' entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors on 25 August 2022.

2. Clients' Lives Back on Track

Introduction to this section

The TAC is dedicated to eliminating road deaths and serious injuries. The fundamental principle of Road Safety is that people's lives are paramount.

The TAC is dedicated to assisting Victorians to recover and rehabilitate from road accidents, paying for treatment and support services for people injured in transport accidents.

This section provides details of the expenditure incurred by TAC in these important initiatives.

Structure

- 2.1 Clients' Lives Back on Track
 - 2.1.1 Net claims incurred
 - 2.1.2 Claims
 - 2.1.3 Actuarial assumptions and methods
 - 2.1.4 Insurance contracts – risk management policies and procedures

2.1 Clients' Lives Back on Track

The TAC is dedicated to assist Victorians to recover and rehabilitate from road accidents and get their lives back on track as quickly as possible. The TAC covers transport accidents directly caused by the driving of a car, motorcycle, bus, train or tram, funding medical treatment for transport accident-related injuries for as long as it is necessary. The claims expenditure incurred in connection with helping Victorians to get their 'lives back on track', as well as expenditure incurred on trauma projects is set out below.

2.1.1 Net claims incurred

	Current year \$000	2022 Prior years \$000	Total \$000	Current year \$000	2021 Prior years \$000	Total \$000
Gross claims incurred						
Undiscounted	3,403,463	2,859,270	6,262,733	3,382,954	(2,001,977)	1,380,977
Discount movement	(1,535,653)	(5,981,762)	(7,517,415)	(1,233,871)	61,053	(1,172,818)
	1,867,810	(3,122,492)	(1,254,682)	2,149,083	(1,940,924)	208,159
Claims recoveries						
Undiscounted	(14,943)	(800)	(15,743)	(13,756)	(2,997)	(16,753)
Discount movement	4,012	5,515	9,527	2,370	1,320	3,690
	(10,931)	4,715	(6,216)	(11,386)	(1,677)	(13,063)
Net claims incurred	1,856,879	(3,117,777)	(1,260,898)	2,137,697	(1,942,601)	195,096

Current year claims incurred relates to risks borne in the current financial year. Prior year claims incurred relates to a reassessment of the claims assumptions (e.g. changes in economic assumptions and claims experience) made for all previous financial years and include the effects of discounting caused by the natural reduction in discount, as the claims move one year closer to settlement. Recoveries on claims paid and outstanding claims are recognised as revenue.

Clients' Lives Back on Track

The net claims incurred of negative \$1,261 million (2021: \$195 million) is impacted by both internal and external (financial impact on changes in inflation assumptions and discount rates) factors as noted below:

	2022 \$M	2021 \$M
Claims incurred – internal	2,033	1,399
Claims incurred – external	(3,294)	(1,204)
Net claims incurred	(1,261)	195

Refer to section 2.1.3 for discussion around the actuarial assumptions and methods.

2.1.2 Claims

Claims receivable

	2022 \$000	2021 \$000
Current		
Claims GST receivable	77,623	77,093
Claims recoveries	10,926	10,600
Total current	88,549	87,693
Non-current		
Claims GST receivable	682,490	802,549
Claims recoveries	53,653	55,130
Total non-current	736,143	857,679
Total claims receivable	824,692	945,372

Claims GST receivable amounts represent the GST credits which the TAC is entitled to claim on future claims payments. Claims recoveries receivable are assessed in a manner similar to the measurement of outstanding claims liability. A provision for impairment is recognised when there is objective evidence that the claims receivable is not recoverable.

Outstanding claims liability

	2022 \$000	2021 \$000
Expected future claims payments (undiscounted)	35,590,433	31,305,557
Discount to present value	(21,090,343)	(14,398,709)
	14,500,090	16,906,848
Claims handling expenses	1,112,273	1,260,192
	15,612,363	18,167,040
Risk margin	1,626,644	1,894,384
Outstanding claims liability	17,239,007	20,061,424
Current	1,609,302	1,595,826
Non-current	15,629,705	18,465,598
Outstanding claims liability	17,239,007	20,061,424

Outstanding claims liability as at 30 June 2022 has been determined by the Directors after appropriate consideration of the actuarial advice provided by an independent actuarial firm, PricewaterhouseCoopers Consulting (Australia) Pty Ltd.

Reconciliation of movement in discounted outstanding claims liability

	2022			2021		
	Gross \$000	Recoveries \$000	Net \$000	Gross \$000	Recoveries \$000	Net \$000
Outstanding claims brought forward	20,061,424	(945,372)	19,116,052	21,374,154	(988,106)	20,386,048
Effect of changes in economic assumptions	(3,330,131)	3,755	(3,326,376)	(1,164,566)	1,086	(1,163,480)
Effect of past inflation rate different to assumptions	221,396	(1,956)	219,440	24,253	332	24,585
Effect of changes in other assumptions	(171,705)	3,759	(167,946)	(928,681)	(2,572)	(931,253)
Increase in claims incurred/ recoveries in current accident year	1,867,810	(10,932)	1,856,878	2,149,083	(11,386)	2,137,697
Release of risk margin and claims handling expenses	(287,121)	-	(287,121)	(297,492)	-	(297,492)
Cost of prior year claims moving one year closer to payment	445,069	(842)	444,227	425,562	(523)	425,039
Included claims recognised in the comprehensive operating statement	(1,254,682)	(6,216)	(1,260,898)	208,159	(13,063)	195,096
Claims payments and recoveries during the year	(1,448,206)	7,367	(1,440,839)	(1,474,100)	9,008	(1,465,092)
Increase in provision for GST credits	(119,529)	119,529	-	(46,789)	46,789	-
Outstanding claims carried forward	17,239,007	(824,692)	16,414,315	20,061,424	(945,372)	19,116,052

[illegible]

Outstanding claims per balance sheet

2.1.3 Actuarial assumptions and methods

The TAC operates the Victorian Transport Accident Compensation Scheme which is long tail in nature, meaning that many claims are settled more than one year after being reported.

Significant estimates and judgements are made by the TAC valuation actuary in respect of certain key asset and liability amounts disclosed in the financial statements. The key areas of significant estimates and judgements and the methodologies used to determine key assumptions related to claims are set out below.

Outstanding claims liability

The outstanding claims liability is measured on the basis of actuarially estimated costs of future claims payments, which include goods and services tax (GST), the anticipated effects of inflation and other factors. The expected future payments include those in relation to claims reported but not yet paid, claims incurred but not yet reported and the anticipated direct and indirect costs of settling those claims. The expected future payments are discounted to present value at balance date using a risk free rate.

A risk margin is applied to the outstanding claims liability to reflect the inherent uncertainty in the central estimate of the outstanding claims liability. The risk margin increases the probability that the claims liability is adequately provided for to a 75% (2021: 75%) probability of sufficiency.

The estimation of outstanding claims liabilities is based largely on the assumption that past developments are an appropriate predictor of the future and involves a variety of actuarial techniques that analyse experience, trends and other relevant factors. The process commences with the actuarial projection of the future claims payments and claims handling costs incurred to reporting date. Each benefit type is usually examined separately.

Actuarial techniques used to analyse and project the various benefit types include:

- Payments per claim incurred (PPCI)
- Payments per active claim (PPAC)
- Payments per claim settled (PPCS)
- Annuity based individual claim models (ICM)

Projected future claims payments and associated claims handling costs are discounted to a present value as required using appropriate risk free discount rates (i.e. rates set with reference to Commonwealth Government Securities). A projection of future claims payments are undertaken separately of both gross claims payments and recoveries.

This projection is made without bias toward over or under estimation. As such, the resulting estimate is considered to be a net central estimate of outstanding claims liabilities that has an approximately equal chance of proving adequate or inadequate.

Clients' Lives Back on Track

The following assumptions have been made in determining the outstanding claims liabilities.

	30 June 2022	30 June 2021
Average claim frequency (claims per 1000 registered vehicles)	2.65	2.63
Average claim size	\$116,969	\$107,872
- Average attendant care	\$20,224	\$20,945
- Average common law size	\$38,422	\$37,758
- Average all other payment size	\$58,323	\$49,169
Expense rate	7.7%	7.5%
Weighted average discount rate (0 to 20 years)	3.82%	1.99%
Weighted average discount rate (21+ years)	4.30%	3.36%
Weighted average discount rate	3.97%	2.49%
Weighted average AWE inflation rate (0 to 20 years)	3.26%	2.83%
Weighted average AWE inflation rate (21+ years)	3.40%	3.06%
Weighted average CPI inflation rate (0 to 20 years)	2.59%	1.98%
Weighted average CPI inflation rate (21+ years)	2.40%	2.07%
Average weighted term to settlement from balance date	15.8 years	17.8 years
Risk margin	11.0%	11.0%

Process used to determine assumptions

A description of the processes used to determine these assumptions is provided below:

Average claim frequency	Claim frequency for the current accident year is estimated by projecting the number of claims incurred based on claims already reported and past patterns of claims reporting, and dividing this by the number of vehicle registrations. The claim frequency is not used explicitly in the valuation models but provides a high level indicator of claim experience.
Average claims size	<p>The average claim size is in respect of the current underwriting year and takes into account the expected payments for each payment type (e.g. attendant care, weekly, medical, impairment benefits, common law, other), as well as the proportion of total injured motorists which receive each benefit. The figures shown in the above table are in nominal values excluding the impact of inflation.</p> <p>The average claim size is further broken down into two key components; the costs of attendant care and common law compensation (including legal costs) per no fault claim. This takes into account the number of injured motorists expected to access the particular compensation as well as the amount of compensation expected to be paid. For completeness, the average size of all other compensation is also shown.</p>
Expense rate	Claims handling expenses have been estimated by reference to past and projected claims handling costs across a number of different claims types. The overall allowance represents 7.7% (2021: 7.5%).
Discount rate	Discount rates adopted are "risk-free" rates, set by reference to traded Commonwealth Government securities. For years 29 onwards there are no risk free securities on issue with term to maturity beyond this point. Therefore, the long term discount rates are set with reference to historic observed discount rates, as well as the real rate of return above inflation.
Inflation	Economic inflation assumptions in the short term are set by reference to current economic forecasts. Inflation assumptions for the medium and longer term are set by blending from the short term assumptions to an assumed long term assumption, with blending based on the shape of the discount rates.
Average weighted term to settlement	The average weighted term to settlement is calculated separately by benefit type based on historic settlement patterns. It is an outworking of the models rather than an explicit assumption and represents the average inflated and discounted term of payments in the outstanding liability from the balance date to payment.
Risk margin	A risk margin is applied to the outstanding claims liability to reflect the inherent uncertainty in the central estimate of the outstanding claims liability. The risk margin increases the probability that the claims liability is adequately provided up to a 75% probability of sufficiency. The risk margin applied at balance date was 11.0% (2021: 11.0%).

Sensitivity analysis – insurance contracts

The TAC's valuation actuary conducts sensitivity analysis to quantify the exposure to risk of changes in the key underlying variables. The valuations included in the reported results are calculated using certain assumptions about these variables as disclosed above. The movement in any key variable will impact the performance and equity of the TAC. The tables below describe how a change in each assumption will affect the scheme liabilities and show how changes in these assumptions impact on profit and equity.

Variable	Inflation of movement in variable
Average attendant care size	The average attendant care size per no fault claim will vary with the number of injured motorists receiving attendant care and the amount of that compensation. The amount depends not only on the amount of care paid per year but also on the age at which motorists are injured, as many will require care for the rest of their lives. Increases or decreases in any of these components will result in a corresponding impact on claims expense. The +/- x% movement shown in the impact table below represents a x% increase or decrease in all future estimated attendant care payments included in the outstanding claims liability.
Average common law size	The average common law size per no fault claim will vary with the number of injured motorists receiving common law compensation and the amount of that compensation (including legal costs). Increases or decreases in any of these components will result in a corresponding impact on claims expense. The +/- x% movement shown in the impact table below represents a x% increase or decrease in all future estimated common law payments included in the outstanding claims liability.
Expense rate	An estimate of the internal costs of handling claims is included in the outstanding claims liability. An increase or decrease in the expense rate assumption would have a corresponding impact on claims expense.
Discount rate	An increase or decrease in the assumed discount rate will have an opposing impact on total claims expense.
Inflation and superimposed inflation rates	An increase or decrease in the assumed inflation rates will have a corresponding impact on total claims expense.

Impact of changes in key variables

Variable	Movement	2022 Net Result \$000	2021 Net Result \$000	2022 Equity \$000	2021 Equity \$000
Recognised amounts per the financial statements		1,508,008	2,475,537	(72,584)	(1,580,592)
Average long term care size	+10%	994,933	1,861,570	(585,660)	(2,194,559)
	-10%	2,021,084	3,089,504	440,492	(966,625)
Average common law size	+10%	1,318,083	2,277,900	(262,509)	(1,778,229)
	-10%	1,697,933	2,673,174	117,341	(1,382,955)
Expense rate	+1%	1,395,844	2,344,682	(184,748)	(1,711,447)
	-1%	1,620,172	2,606,392	39,580	(1,449,737)
Weighted average discount rate (0-20 years)	+0.5%	2,094,316	3,229,242	513,724	(826,887)
	-0.5%	870,480	1,652,800	(710,112)	(2,403,329)
Weighted average discount rate (21+ years)	+0.5%	1,754,771	2,829,612	174,179	(1,226,517)
	-0.5%	1,228,410	2,073,610	(352,182)	(1,982,519)
Weighted average inflation rate - AWE and CPI (0-20 years)	+0.5%	887,545	1,685,243	(693,047)	(2,370,886)
	-0.5%	2,085,312	3,208,829	504,720	(847,300)
Weighted average inflation rate - AWE and CPI (21+ years)	+0.5%	1,221,735	2,066,939	(358,857)	(1,989,190)
	-0.5%	1,762,728	2,838,543	182,136	(1,217,586)

2.1.4 Insurance contracts - risk management policies and procedures

The financial condition and operation of the TAC is affected by a number of key risks including insurance risk, financial risk and operational risk.

The TAC's policies and procedures in respect of managing insurance risks are set out below.

Risks arising from insurance operation and policies for mitigating those risks

The TAC's performance from insurance operations is affected by the inherent nature of insurance risks and market factors external to the TAC.

The TAC's risk management strategy covers all aspects of the TAC's operations including any reinsurance risk retention limits. It also includes processes and controls in respect of the management of both financial and non-financial risks likely to be faced by the organisation.

Key aspects of the processes established to mitigate risks include:

- the maintenance and use of sophisticated management information systems, which provide reliable and up to date data on the risks to which the business is exposed at any point in time;
- actuarial models incorporating past experience, statistical methods and information derived from the management information systems to monitor claims patterns;
- catastrophic accidents are modelled and the TAC's exposures are, if elected by the TAC's Board, protected by arranging reinsurance to limit the losses arising from an individual event. The retention and limits are approved by the TAC's Board;
- where specific reinsurance coverage is elected, only reinsurers with credit ratings equal to, or in excess of, a minimum level determined by management are accepted; and
- the investment allocation strategy, established by the Victorian Funds Management Corporation (VFMC) in consultation with the TAC, is derived by the matching of assets to the underlying claims liabilities to optimise the returns within the risk management parameters.

The TAC Board has elected to retain the risk from catastrophic accidents and therefore have not entered into any reinsurance contracts.

Terms and conditions

The terms and conditions of the Transport Accident Compensation Scheme administered by the TAC are established under the *Transport Accident Act 1986*. The TAC offers three, six and twelve month insurance terms. The period of indemnity is generally 12 months.

Where coverage is elected, reinsurance contracts are negotiated and entered into annually to protect the TAC against large losses.

Concentration of insurance risk

The TAC operates the Victorian Transport Accident Compensation Scheme. The TAC's exposure to concentration of insurance risks is motor vehicles, trains and trams.

Interest rate risk

Assets or liabilities arising from insurance or, where Assets or liabilities arising from insurance or, where applicable, reinsurance contracts entered into by the TAC are directly exposed to interest rate risk.

Credit risk

The TAC has no significant concentrations of credit risk.

3. Collection of Premium Revenue

Introduction to this section

The funds the TAC needs to perform its key strategy are attained from payments primarily made by Victorian motorists when they register their vehicles with Department of Transport. The expenditure incurred by the TAC in the implementation of these strategies is disclosed above and the funds that enable the delivery of the initiatives are outlined below.

This section is structured as follows:

- 3.1 Net premium revenue
- 3.2 Deferred acquisition costs
- 3.3 Unearned premiums
- 3.4 Unexpired risk liability

3.1 Net premium revenue

	2022 \$000	2021 \$000
Premium revenue	2,019,555	1,978,743
Premium collection fees	(30,345)	(40,423)
Net premium revenue	1,989,210	1,938,320

Premium revenue refers to the transport accident charge for motor vehicles and premium charge for trains and trams, and is recognised from the attachment date over the period of the policy. The pattern of recognition over the policy period is based on time, which is considered to approximate closely with the pattern of risks underwritten. Premium revenue is net of refunds and excludes stamp duty and GST.

3.2 Deferred acquisition costs

	2022 \$000	2021 \$000
Balance at 1 July	-	11,089
Acquisition costs incurred in the year	50,362	48,622
Amount expensed to comprehensive operating statement	(30,345)	(40,423)
Write down due to premium deficiency	(19,803)	(19,288)
Deferred acquisition costs	214	-

Acquisition costs represent fees incurred for the collection of transport accident charges for motor vehicles. Acquisition costs are deferred and recognised as assets where they can be reliably measured and where it is probable that they will give rise to a future benefit. Deferred acquisition costs are measured at the lower of cost and recoverable amount and are expensed to correspond to the earning pattern of the premium revenue.

The deferred acquisition cost has been partially written down as a result of the recording of a premium deficiency at 30 June 2022 (refer note 3.4).

3.3 Unearned premiums

	2022 \$000	2021 \$000
Balance at 1 July	776,270	782,936
Deferral of premium written in the year	810,244	776,270
Earning of premium written in previous year	(776,270)	(782,936)
Unearned premiums	810,244	776,270

Unearned premiums represent the proportion of premiums received or receivable not earned and relate to periods of insurance subsequent to balance date. They are computed on the basis that the risk attaches to all policies from the middle of the month in which they are written.

3.4 Unexpired risk liability

	2022 \$000	2021 \$000
Unexpired risk liability at beginning of year	138,280	-
Increase/(decrease) in unexpired risk liability	(138,280)	138,280
Unexpired risk liability at end of year	-	138,280
a) Calculation of premium deficiency		
Net unearned premium liability ⁽¹⁾	848,795	812,253
Net present value of future claims costs	(782,521)	(873,713)
Risk margin	(86,077)	(96,108)
Gross premium deficiency	(19,803)	(157,568)
Deferred acquisition costs written down	19,803	19,288
Net premium deficiency	-	(138,280)
⁽¹⁾ Net unearned premium liability includes Unearned Premiums and Advance Premiums, less Gross deferred acquisition costs recognised		
b) Movements in carrying amounts		
Amount expensed to comprehensive operating statement	(118,477)	157,568
Deferred acquisition costs written down	(19,803)	(19,288)
	(138,280)	138,280

At each reporting date the TAC performs a liability adequacy test to assess whether the unearned premium liability is sufficient to cover all expected future cash flows relating to future claims against current insurance contracts.

The unearned premium liability is deemed to be deficient when the expected future cash claims plus the additional risk margin (refer to 2.1.3) exceeds the unearned premium liability less related intangible assets and deferred acquisition costs.

The entire deficiency is recognised immediately in the comprehensive operating statement. The deficiency is recognised first by writing down any related intangible assets and then related deferred acquisition costs, with any excess being recorded in the balance sheet as an unexpired risk liability. A gross deficiency of \$19.8 million was recorded at 30 June 2022 (2021: \$157.6 million).

4. Investment Portfolio

Introduction to this section

This section includes the investments that are held by the TAC that are used to supplement the premiums earned to fund its functions.

This section contains the disclosures:

- 4.1 Net investment income
- 4.2 Investments
- 4.3 Cash and cash equivalents

4.1 Net investment income

	2022 \$000	2021 \$000
Dividends	1,303,014	657,691
Interest	6,086	7,287
Changes in fair values of investments through the comprehensive operating statement	(1,567,014)	1,794,056
Investment income	(257,914)	2,459,034
Investment expense	(42,759)	(40,847)
Net investment income	(300,673)	2,418,187

Dividend income is recognised when the TAC's right to receive payment has been established. Dividend income through trust distributions is recognised when the market prices are quoted ex-distribution for listed trusts, while unlisted trust distributions are recognised when the trustee declares a distribution. Interest income is recognised on an accrual basis.

Changes in fair values of investments is the difference between the fair value of the investments at 30 June 2021 or the cost of acquisition (for investments purchased during the year), and sales proceeds or their fair value at 30 June 2022.

Investment expenses are fees paid to the VFMC under the Client Funds Management Service Agreement and other professional fees incurred by the TAC in relation to the management of the investment portfolio.

The net return on the investment portfolio for the year was negative 1.73% (2021: positive 16.13%).

4.2 Investments

The TAC's investment activity is undertaken pursuant to the *Transport Accident Act 1986*, the *Borrowing and Investment Powers Act 1987* and the Treasurer's Prudential Statement. It is the Victorian Government's policy that all the investment assets of the TAC be managed by the VFMC.

Under the Centralised Model implemented by the Victorian Government in July 2006, the TAC is responsible for setting its investment objectives whilst the VFMC has responsibility to develop appropriate investment strategies that target the TAC's investment objectives. The investment strategy that is determined by the VFMC for the TAC is documented in a detailed Investment Risk Management Plan (IRMP) which is approved by the Treasurer. The IRMP is prepared by the VFMC and addresses issues concerning strategy, portfolio construction, benchmarks and risk management.

The prudential supervision responsibility of the investments rests with the Department of Treasury and Finance (DTF). The VFMC Board is required to certify to the DTF on an annual basis and on a semi-annual basis to the TAC, that the TAC's investment portfolio has been managed in accordance with the accepted IRMP and with the TAC's investment objectives. The TAC is responsible for the review of the contractual and service level agreements and for periodically reviewing and discussing with the VFMC its investment performance against its investment objectives.

The investment portfolio consists of a range of assets to match TAC's liability characteristics and equities to provide for long term growth and other assets that provide diversification benefits across the general portfolio.

	2022 \$000	2021 \$000
Investment assets		
Cash and cash equivalents	1,405,750	2,121,495
Cash collateral and margin accounts	85,407	17,617
Receivables	1,216,804	916,629
Derivative assets	272,540	241,967
Equity and managed investment schemes	14,564,358	14,433,218
Debt securities	-	-
	17,544,859	17,730,926
Investment related liabilities		
Cash collateral and margin accounts	(156,107)	(188,842)
Payables	(8)	(11)
Derivative liabilities	(466,974)	(126,967)
	(623,089)	(315,820)
Total	16,921,770	17,415,106

TAC has uncalled capital commitments within its investments totalling \$2,482 million as at 30 June 2022 (2021: \$1,839 million), which have not been recognised on the balance sheet.

Investment Portfolio

	2022 \$000	2021 \$000
Current		
Investment assets	2,977,507	3,135,409
Investment related liabilities	462,658	(315,820)
Non-current		
Investment assets	14,567,352	14,595,517
Investment related liabilities	(160,431)	-
Total	16,921,770	17,415,106

Assets backing insurance liabilities

The TAC's investment portfolio is managed by the VFMC through internal management and external fund managers and a Master Custodian. The Master Custodian holds the investments and conducts settlements pursuant to instructions from internal management and fund managers.

The TAC has determined that all assets, except for plant and equipment and intangibles, are held to back insurance liabilities. Investments are designated at fair value through profit and loss on the basis that the investments are managed as a portfolio based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies. Initial recognition is at cost in the balance sheet and subsequent measurement is at fair value with any resultant changes in fair value recognised in the comprehensive operating statement.

Details of fair value for the different types of investment assets are listed below:

- cash assets, deposits held at call with banks and investments in money market instruments are carried at face value which approximate to their fair value;
- cash collateral and margin accounts refers to amounts held as security against future counterparty performance. These assets are recorded at face value and categorised as Level 1. Margin accounts represent cash held with a broker or central counterparties against open futures contracts and/or other derivatives;
- investments in discounted money market instruments are valued at their quoted mid-price at the balance sheet date, as with fine trading spreads in this market, there is an ability to transact at mid-price;
- shares, fixed interest securities, options and units in trusts listed on stock exchanges or traded in an open market are initially recognised at cost (which is equal to fair value) and the subsequent fair value is taken as the quoted bid price of the instruments at the balance sheet date;
- futures contracts listed on recognised exchanges are valued using the quoted settlement price; and
- units in unlisted trusts are recorded at fair value as determined by the fund manager or valuation by other skilled independent third parties. In determining fair value, the manager or third parties use observable market transactions of the units and underlying assets where available and applicable; some of the underlying assets of the trusts are valued using valuation models that include inputs which are not based on observable market data.

Investment Portfolio

Refer to note 7.3 for discussion on valuation judgements in relation to the fair value of investments.

All purchases and sales of investments that require delivery of the asset within the time frame established by regulation or market convention ('regular way' transactions) are recognised at trade date, being the date on which the commitments are made to buy or sell the asset. In cases where the period between trade and settlement exceeds this time frame, the transaction is recognised at settlement date.

Investments held at balance sheet date that are denominated in foreign currencies are retranslated to Australian dollars at rates of exchange ruling at the balance sheet date. Exchange differences are recognised in the comprehensive operating statement in the period in which they arise. Investments are derecognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and the TAC has transferred substantially all the risks and rewards of ownership.

Investments that are due to mature, expire or be realised within twelve months of balance date are classified as current investments in the balance sheet. While this classification policy may result in a reported working capital deficit, the TAC holds high quality liquid assets in its investment portfolio which are readily convertible to cash assets. In addition, the TAC is normally cash flow positive with premium and investment income exceeding claims and administrative cost payments.

Derivative financial instruments

VFMC and fund managers use derivative financial instruments such as foreign exchange contracts, futures, swaps and options to more effectively manage the risks associated with investing in large institutional portfolios. Derivatives are originally recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date with any gain or loss recognised in the comprehensive operating statement.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

4.3 Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purpose of the cash flow statement, cash includes cash on hand and at banks and cash equivalent assets. Cash equivalent assets are highly liquid investments with short periods to maturity, which are readily convertible to cash at the option of the TAC. Cash at the end of the financial year, as shown in the cash flow statement, is reconciled to the related items in the balance sheet as follows:

	2022 \$000	2021 \$000
Cash and cash equivalents (bank)	45,267	61,424
Cash equivalents (investments)	1,405,750	2,121,495
Total	1,451,017	2,182,919

(b) Reconciliation of net cash flows from operating activities to net results

	2022 \$000	2021 \$000
Net result for the year	1,508,008	2,475,537
Depreciation and amortisation	22,350	21,898
Impairment/Write-down of property, plant and equipment	-	4,543
Finance costs	(3,614)	(613)
Changes in fair values of investments through the comprehensive operating statement	1,567,014	(1,794,056)
Loss / (profit) on sale of plant and equipment	(55)	(103)
Loss / (profit) on lease modification	(126)	-
Repayment of capital	400,000	-
Changes in assets and liabilities		
Increase / (decrease) in outstanding claims	(2,822,417)	(1,312,730)
Increase / (decrease) in unearned premiums	33,974	(6,666)
Decrease / (increase) in receivables and other assets	112,179	55,675
Increase / (decrease) in creditors and provisions	(114,207)	115,611
Decrease / (increase) in net deferred tax balances	439,062	1,049,187
Increase/(decrease) in income tax payable	334,518	-
Net cash inflow / (outflow) from operating activities	1,476,686	608,283

5. Cost of Operations

Introduction to this section

This section provides details of costs incurred by TAC to support its day-to-day operating activities.

This section contains the following disclosures:

5.1 Administration costs

5.1 Administration costs

	2022 \$000	2021 \$000
Staff and related	145,955	138,300
Information technology	14,539	12,558
Occupancy and utilities	6,370	6,674
Other operating	17,533	19,744
Depreciation and amortisation	20,418	19,977
Total	204,815	197,253
Total administration costs include the following:		
Write-down/Impairment of property, plant and equipment and intangibles	-	4,543
Operating lease rentals	1,590	1,750
Auditor-General's fees	200	230
Interest on leases	3,208	3,388
Unwind of discount and effect of changes in the discount rate on employee provision	(3,614)	(613)

6. Taxation and Shareholder Transactions

Introduction to this section

The TAC is required to pay income tax equivalent under the National Tax Equivalent Regime.

This section contains the following disclosures:

- 6.1 Income tax
- 6.2 Deferred tax
- 6.3 Repayment of capital

6.1 Income tax

In accordance with section 88 (3D) of the *State Owned Enterprises Act 1992*, the TAC is required to pay income tax equivalent under the National Tax Equivalent Regime (NTER). The income tax expense or benefit comprises current and deferred tax.

	2022 \$000	2021 \$000
Income tax recognised in comprehensive operating statement		
Income tax expense comprises:		
Current tax expense	334,518	-
Deferred tax adjustment - utilisation of carried forward losses	860,138	918,823
Deferred tax adjustment - movement in temporary differences	(421,061)	124,062
Adjustment in respect of prior years	(15)	6,302
Total tax expense	773,580	1,049,187
Deferred tax adjustment movement in temporary differences comprises:		
(Increase) / Decrease in deferred tax assets	(109,619)	(1,121)
Increase / (Decrease) in deferred tax liabilities	(311,442)	125,183
	(421,061)	124,062
Reconciliation between net result before tax and income tax expense		
Net profit before tax	2,281,588	3,524,724
Tax at the statutory rate of 30% (2021 - 30%)	684,476	1,057,418
Repayment of contributed capital	120,000	-
Imputation gross-up on dividends received	13,176	6,204
Franking credits and withholding tax on dividends received	(43,921)	(20,679)
Sundry items	(151)	6,244
Income tax expense / (benefit)	773,580	1,049,187

6.2 Deferred Tax

Deferred tax balances	2022 \$000	2021 \$000
Deferred tax assets comprise:		
Carry forward tax losses	-	874,575
Claims handling expense included in outstanding claims	370,387	419,644
Unrealised losses on investments	214,841	-
Sundry items	21,293	62,806
	606,521	1,357,025
Deferred tax liabilities comprise:		
Unrealised gain on investments	-	311,442
	-	311,442
Net deferred tax assets	606,521	1,045,583

Deferred tax is recognised for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates that are expected to apply when the assets and liabilities are realised or settled, based on tax rates that have been enacted or substantially enacted by reporting date.

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affect neither taxable income nor accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset as the TAC settles its current tax assets and liabilities on a net basis.

6.3 Repayment of capital

In accordance with section 29A of the *Transport Accident Act 1986*, the TAC paid a \$400 million repayment of capital (2021: nil) to the Victorian State Government on 27 June 2022 as determined by the Treasurer after consultation with TAC and the responsible Minister.

The transaction has been recorded as an expense in accordance with FRD 119 *Transfers through Contributed Capital*.

7. Financial Instruments

Introduction to this section

This section provides information on the sources of finance utilised by the TAC during its operations, including disclosures of balances that are financial instruments and discussion on valuation judgements.

This section contains the following disclosures:

- 7.1. Financial risk management
- 7.2. Offsetting financial assets and financial liabilities
- 7.3. Fair value – Financial assets and financial liabilities

7.1 Financial risk management

The TAC's financial assets and liabilities are exposed to a variety of financial risks including market risk (consisting of interest rate, foreign currency and equity price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The VFMC manages market risk by seeking input from the TAC's actuaries to ensure the investment mix is appropriate to service future liabilities and that projected outcomes are in line with the TAC's overall investment objectives and remain within the risk parameters approved by the Treasurer.

Interest rate risk

Interest rate risk is the risk that the TAC is impacted by significant changes in interest rates. The VFMC manages interest rate risk through an asset allocation strategy for the TAC's investment portfolio, which acts as an economic hedge against the insurance liabilities of the TAC. To the extent that these assets and liabilities can be matched, no gain or loss is recognised. The VFMC uses derivatives to manage the interest rate risk on interest rate sensitive assets. Interest rate swap contracts and forward rate agreements are used to mitigate interest rate risks.

A summary of the TAC's interest-bearing financial instruments is as follows:

	Variable rate 2022 \$000	Fixed rate 2022 \$000	Total 2022 \$000	Variable rate 2021 \$000	Fixed rate 2021 \$000	Total 2021 \$000
Financial assets						
Cash and cash equivalents	45,267	-	45,267	61,424	-	61,424
Investments:						
- derivative assets	-	3,346	3,346	-	417	417
- other investments	1,283,751	-	1,283,751	1,938,273	-	1,938,273
	1,329,018	3,346	1,332,364	1,999,697	417	2,000,114
Financial liabilities						
Derivative liabilities	-	21,766	21,766	-	3,364	3,364
Other liabilities	-	109,404	109,404	-	114,549	114,549
	-	131,170	131,170	-	117,913	117,913
Total	1,329,018	(127,824)	1,201,194	1,999,697	(117,496)	1,882,201

Interest rate sensitivity

A 10% movement in interest rates (or discount rates) is used by the TAC's actuaries to present the sensitivities of the actuarial claims liabilities to management to allow them to monitor interest rate risk on liabilities. A sensitivity table is not disclosed, as the impact of a 0.5% movement in interest rates with all other variables held constant on the TAC's net profit and equity is not material.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The TAC is exposed to foreign exchange risk through its investments which are denominated in foreign currency, and anticipated future transactions.

The VFMC limits foreign exchange risk through the use of forward currency contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The proportion of foreign exchange risk which is hedged is reviewed regularly to ensure that the net exposure is maintained at a level which is consistent with the overall investment objectives.

The foreign exchange risk disclosures have been prepared on the basis of the TAC's direct investment and not on a look-through basis for investments held indirectly through unit trusts. Consequently the disclosure of currency risk in the note may not represent the true currency risk profile of the TAC where a unit trust has significant investments which have exposure to the currency markets.

The TAC's exposure is mainly via the major currencies such as United States dollar, Japanese yen, the Euro and British pound.

Foreign currency sensitivity

The following table details the TAC's sensitivity to a 10% increase or decrease in the Australian Dollar against the relevant foreign currencies with all other variables held constant.

	2022 \$000	2021 \$000
Impact on profit and equity of a 10% increase in interest rates:		
- Before impact of interest rate derivatives	(128,963)	(111,037)
- Impact of interest rate derivatives	278,979	258,189
- After impact of interest rate derivatives	150,016	147,152
Impact on profit and equity of a 10% decrease in interest rates:		
- Before impact of interest rate derivatives	157,622	135,712
- Impact of interest rate derivatives	(340,975)	(315,565)
- After impact of interest rate derivatives	(183,353)	(179,853)

Financial Instruments

Equity price risk

The TAC is exposed to equity price risk arising from investments both within Australian markets and overseas (refer to note 4.2). Equity investments are held for strategic rather than trading purposes. The VFMC limits price risk through diversification of the equity investment portfolio.

Equity price sensitivity

At reporting date, if listed/unlisted equity prices had been 10% higher or lower and all other variables were held constant, the TAC's net profit and equity would increase or decrease by \$1,031.6 million (2021: \$1,003.5 million).

Credit risk

Credit risk refers to the risk that an issuer or counterparty will default on its contractual obligations resulting in financial loss to the TAC. The VFMC manages counterparty credit risk by conducting due diligence on counterparties and will only deal with counterparties of high quality with substantial balance sheets. Agreements also contain provisions for the agreement to be reviewed or rescinded upon the occurrence of specified events relating to counterparty credit and liquidity.

Assessment processes also ensure that well-defined documentation underpins each transaction, that clear rules exist for completing single transactions with a particular counterparty, and that appropriate credit limits exist to accommodate the transaction. Exposure is measured on a multi-tiered basis according to factors such as the individual transaction, counterparty total and credit rating total, and is monitored by personnel separated from the dealing function. When conducting over-the-counter derivative transactions, bilateral legal contracts must be signed with the counterparty prior to execution of the transaction.

The establishment of appropriate policies and multi-tiered limits ensures that TAC maintains a diversified portfolio without any significant concentration of credit risk on an industry, regional or country basis. The TAC's maximum exposure to credit risk at balance date in relation to each class of financial asset is the carrying amount of those assets as indicated in the balance sheet.

Concentrations of credit risk

The VFMC manages credit risk by diversifying the exposure amount with particular issuers and counterparties. The TAC does not have any significant concentration of credit risk on an industry, regional or country basis. The investment strategy for the TAC is to ensure a diversified portfolio. The table below provides information regarding credit risk exposure of the TAC by classifying assets according to the VFMC's credit ratings of counterparties.

	Investment grade \$000	Non-Investment grade \$000	Total \$000
2022			
Cash and cash equivalents	45,267	-	45,267
Cash equivalents (investments)	1,405,750	-	1,405,750
Derivative assets	-	272,540	272,540
Other receivables	-	3,420	3,420
Total	1,451,017	275,960	1,726,977

Financial Instruments

2021	Investment grade \$000	Non-Investment grade \$000	Total \$000
Cash and cash equivalents	61,424	-	61,424
Cash equivalents (investments)	2,121,495	-	2,121,495
Derivative assets	-	241,967	241,967
Other receivables	-	5,136	5,136
Total	2,182,919	247,103	2,430,022

The VFMC classifies all assets with Standard and Poor's credit ratings of AAA to BBB- as investment grade.

Non-investment grade assets include assets that fall outside the range of AAA to BBB- Standard and Poor's credit ratings as well as non-rated assets that are within the risk parameters outlined in the Investment Risk Management Plan.

Liquidity risk

Liquidity risk arises from the TAC being unable to meet financial obligations as they fall due. The VFMC manages liquidity risks through holding high quality liquid assets in its total investment portfolio, which are readily convertible to cash assets. The TAC is normally cash flow positive with premium and investment income exceeding claims and administrative cost payments.

The following table summarises the maturity profile of the TAC's financial liabilities. The table is based on the undiscounted cash flows of financial liabilities and on the earliest date on which the TAC can be required to pay.

2022	Less than 3months \$000	3-12 months \$000	1-5 years \$000	5+ years \$000	Total \$000
Payables	105,531	-	-	-	105,531
Finance lease liabilities	1,839	5,518	33,395	68,652	109,404
Derivative liabilities	105,380	201,163	160,431	-	466,974
Total	212,750	206,681	193,826	68,652	681,909

2021					
Payables	86,044	-	-	-	86,044
Finance lease liabilities	1,732	5,196	30,014	77,607	114,549
Derivative liabilities	63,770	63,197	-	-	126,967
Total	151,546	68,393	30,014	77,607	327,560

Creditors and accruals are normally settled within 30 days and are carried at nominal value which approximates fair value.

The table above includes only the liquidity analysis in relation to contractual (as opposed to statutory) financial liabilities. While the liability for outstanding claims is the most significant liability for which payments will need to be made in the future, these do not meet the definition of a financial liability.

7.2 Offsetting financial assets and financial liabilities

The following table identifies financial assets and liabilities which have been offset in the balance sheet in accordance with AASB 132 *Financial Instruments: Presentation* and those which have not been offset in the balance sheet but are subject to enforceable master netting agreements (or similar arrangements) with trading counterparties.

Financial assets and financial liabilities subject to offsetting arrangements:

	Gross and net amount included in Balance Sheet \$000	Related amount not set off in Balance Sheet		Net Amount \$000
		Related amount subject to master netting agreements \$000	Collateralised obligation \$000	
2022				
Derivative assets	272,540	(137,708)	(127,627)	7,205
Derivative liabilities	(466,974)	137,708	17,558	(311,708)
Total	(194,434)	-	(110,069)	(304,503)
2021				
Derivative assets	241,967	(12,815)	(188,468)	40,684
Derivative liabilities	(126,967)	12,815	9,088	(105,064)
Total	115,000	-	(179,380)	(64,380)

7.3 Fair value – financial assets and financial liabilities

The TAC determines the policies and procedures for fair value measurements in accordance with the requirements of AASB 13 *Fair Value Measurement* and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, the TAC has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, the TAC determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

TAC holds financial instruments that are recorded in the financial statements, with carrying amounts approximate to fair value due to their short-term nature. These financial instruments are measured at amortised cost and include:

- Other Receivables
- Lease Liabilities
- Payables

Financial Instruments

The following tables illustrate the level in the fair value hierarchy in which fair value measurements are categorised for financial assets and financial liabilities.

30 June 2022	Fair value measurement at end of the reporting period using:			
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial Assets				
Cash and cash equivalents	45,267	-	-	45,267
Investment Assets				
Cash investments	1,405,750	-	-	1,405,750
Cash collateral and margin accounts	85,407	-	-	85,407
Receivables	1,216,804	-	-	1,216,804
Derivative assets	7,700	264,840	-	272,540
Equity and managed investment schemes				
Australian bonds	-	779,507	-	779,507
Australian equities	-	1,842,899	-	1,842,899
Emerging market debt	-	443,605	-	443,605
Hedge funds	-	115,819	730,040	845,859
Inflation linked bonds	-	1,115,225	-	1,115,225
Infrastructure	-	-	1,437,929	1,437,929
Insurance	-	-	181,586	181,586
International equities	-	4,220,207	-	4,220,207
Opportunistic	-	-	224,107	224,107
Private credit	-	5,808	1,230,180	1,235,988
Private equity	-	-	17,314	17,314
Property	-	5,872	1,747,764	1,753,636
US bonds	-	466,496	-	466,496
Debt securities	-	-	-	-
	2,760,928	9,260,278	5,568,920	17,590,126
Financial liabilities				
Investment related liabilities				
Cash collateral and margin accounts	156,107	-	-	156,107
Payables	8	-	-	8
Derivative liabilities	494	466,480	-	466,974
	156,609	466,480	-	623,089
Net financial assets	2,604,319	8,793,798	5,568,920	16,967,037

Financial Instruments

30 June 2021	Fair value measurement at end of the reporting period using:			
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial Assets				
Cash and cash equivalents	61,424	-	-	61,424
Investment Assets				
Cash investments	2,121,495	-	-	2,121,495
Cash collateral and margin accounts	17,617	-	-	17,617
Receivables	916,629	-	-	916,629
Derivative assets	682	241,285	-	241,967
Equity and managed investment schemes				
Australian bonds	-	845,151	-	845,151
Australian equities	-	2,145,396	-	2,145,396
Emerging market debt	-	480,889	-	480,889
Hedge funds	-	132,491	460,128	592,619
Inflation linked bonds	-	1,376,274	-	1,376,274
Infrastructure	-	44	1,258,044	1,258,088
Insurance	-	-	194,340	194,340
International equities	-	4,491,486	-	4,491,486
Opportunistic	-	346,510	-	346,510
Private credit	-	-	817,675	817,675
Private equity	-	-	21,128	21,128
Property	-	-	1,337,855	1,337,855
US bonds	-	525,807	-	525,807
Debt securities	-	-	-	-
	3,117,847	10,585,333	4,089,170	17,792,350
Financial liabilities				
Investment related liabilities				
Cash collateral and margin accounts	188,842	-	-	188,842
Payables	11	-	-	11
Derivative liabilities	3,654	123,313	-	126,967
	192,507	123,313	-	315,820
Net financial assets	2,925,340	10,462,020	4,089,170	17,476,530

Transfers between categories

An amount of \$224.0 million was transferred from level 2 to level 3 during the year ended 30 June 2022 (2021: \$143.8 million).

Reconciliation of Level 3 fair value measurements of financial assets:

	Total Level 3 \$000
Balance at beginning of the year	4,089,170
Gain/(loss) recognised in the comprehensive operating statement	197,643
Sales	(319,251)
Purchases	1,377,310
Transfer in from Level 2	224,048
Closing Balance	5,568,920
Total losses for the period included in profit or loss for assets held at the end of the period	(15,368)

Fair value determination

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Key Assumptions and inputs to estimation uncertainty

The disclosures below provide details of the inputs and assumptions used in the current valuation models.

A majority of the investments with estimation uncertainty are held via third party pooled investment vehicles, and as such the TAC is not privy to the detailed assumptions or valuation techniques used to value the underlying investment assets. The TAC is reliant on third parties for these valuations and the quantitative information regarding significant unobservable inputs used in the fair value measurement cannot be assessed.

An example of the key inputs and assumptions typically considered is shown below.

Investment asset	Valuation technique	Key inputs and assumptions
Infrastructure Investments	Discounted cash flows	<ul style="list-style-type: none"> risk free discount rates risk premium asset utilisation rates capital expenditure and operating cost forecasts other estimated future cash flows dependent on the longer term general economic forecasts forecast performance of applicable underlying assets
Private Equity Investments	Multiples of earnings, discounted cash flow, market equivalents and other market accepted methodologies	<ul style="list-style-type: none"> identification of appropriate comparables estimated future profits risk free rate, risk premium
Property Investments	Discounted cash flow, capitalisation and direct comparison methodologies	<ul style="list-style-type: none"> estimated future cash flows future economic and regulatory conditions
Fixed Income Investments and Hedge Fund, Private Credit and Insurance Investments	<p>Fixed income investments - third party pricing servicers, which source prices from brokers and market makers</p> <p>Liquid securities quoted on an exchange or traded in a dealer market</p> <p>Less liquid securities - discounted cash flow, amortised cost, direct comparison and others</p>	<ul style="list-style-type: none"> appropriate credit spread and other risk premium future risk free rate estimated future cash flows identification of appropriate comparable assets future economic and regulatory conditions

8. Other Disclosures

Introduction to this section

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

This section contains the following disclosures:

- 8.1. Responsible person
- 8.2. Remuneration of executive officers
- 8.3. Related parties
- 8.4. Motorcycle road safety reserve
- 8.5. Commitments and contingencies
- 8.6. Controlled entity
- 8.7. Events after reporting date
- 8.8. Application of standards not yet effective

8.1 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

Names

The responsible persons who held office during the financial year are as follows:

Responsible Ministers:

Honourable Danny Pearson MP

Assistant Treasurer
Minister for Regulatory Reform
Minister for Government Services
Minister for Housing

Honourable Ben Carroll MP

Minister for Roads and Road Safety
Minister for Public Transport
Minister for Industry Support and Recovery
Minister for Business Precincts

Directors:

Mr Greg Wilson (Chair)
Ms Jane Brockington
Mr James Flintoft
Mr David Heath
Ms Louisa Hudson (end of term 30 June 2022)
Ms Julia Mason (end of term 30 June 2022)
Ms Sharon McCrohan
Mr John Merritt
Dr Samantha Smith

Chief Executive Officer:

Mr Joe Calafiore

Other Disclosures

Remuneration

	2022 \$000	2021 \$000
Total remuneration received or receivable by responsible persons ¹	1,190	1,210

¹ The compensation detailed above excludes the salaries and benefits of the Portfolio Ministers. The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the Annual Financial Report of the State.

The number of responsible persons of TAC whose remuneration falls within the following bands was:

Income Band	2022	2021
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	7	8
\$140,000 - \$149,999	1	1
\$560,000 - \$569,999	1	-
\$570,000 - \$579,999	-	1

8.2 Remuneration of executive officers

Remuneration of executives

The number of executive officers, excluding the Chief Executive Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

The number of executive officers may vary from year to year due to the timing of appointments, resignations, and the composition of the executive officers.

The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (note 8.3).

The remuneration of executives is as follows:

	2022 \$000	2021 \$000
Short-term employee benefits	3,052	3,029
Post-employment benefits	220	210
Other long-term employee benefits	75	72
Termination benefits	-	-
Total remuneration	3,347	3,311
Total number of executives	9.5	10.5
Total annualised employee equivalent ¹	9.5	9.6

¹ Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.3 Related parties

The TAC is a wholly owned and controlled entity of the State of Victoria.

Key management personnel of TAC are those listed as responsible persons and members of the executive leadership team.

Related parties of the TAC include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

The remuneration of key management personnel is as follows:

	2022 \$000	2021 \$000
Short-term employee benefits	4,149	4,150
Post-employment benefits	300	286
Other long-term employee benefits	88	85
Termination benefits	-	-
Total remuneration	4,537	4,521

Several factors affected total remuneration payable to key management personnel over the year, including the commencement, renegotiation and completion of a number of employment contracts.

Significant transactions with government related entities

Mr John Merritt and Ms Jane Brockington were Directors of the Victorian WorkCover Authority (WorkSafe) during the financial year. Additionally, Mr Brad Kemp was a member of the Executive Leadership Team of both the TAC and WorkSafe during the year. WorkSafe is entitled to recover from the TAC under the *Accident Compensation Act 1985*, all compensation payable under the WorkCover scheme for injury in a transport accident during the course of work. The TAC also makes payments for the annual Workplace Injury Insurance premium to WorkSafe.

The TAC and WorkSafe reimbursed each other for the cost of external services acquired jointly, and internal services provided to each other, in relation to collaborative initiatives between the TAC and WorkSafe. In addition, the TAC received payments from WorkSafe for the management of WorkSafe claims of injured workers with catastrophic injuries.

The aggregate amounts in respect of the above transactions with the responsible person-related entity WorkSafe were:

	2022 \$000	2021 \$000
Claim compensation paid	(120,000)	(118,200)
Cost reimbursement received and receivable	5,282	7,254
Cost reimbursement paid and payable	(7,244)	(5,048)
Management of catastrophic claims	2,520	2,390

Other Disclosures

Ms Jane Brockington was also the Chair of the Victoria Police Audit and Risk Committee during the 2020/21 financial year, resigning as Chair in December 2020. The TAC, in consultation with Victoria Police, develops strategies to target the main causes of crashes that result in trauma, and encourage positive road-user attitudes and behaviour. The total amount paid to Victoria Police (excluding GST) amounted to \$5.9 million in 2020/21.

Mr. Greg Wilson was the Chair of the Victoria State Emergency Service and the Chair of the Country Fire Authority during the financial year. The TAC makes quarterly payments every year to the Victoria State Emergency Service and the Country Fire Authority for Road Accident Rescue services provided to the Victorian Community, in line with requirements under the *Transport Accident Act 1986*. The total amount paid to the Victoria State Emergency Service (excluding GST) in 2021/22 amounted to \$3.6 million (2021: \$4.1 million). No payments were made to the Country Fire Authority in 2021/22 (2021 part year: \$2.7 million) due to a delay in contract renewal.

Conflicts of interest are overcome where warranted, by Directors declaring their interests and abstaining from voting at the TAC's Board meetings

Significant transactions with key management personnel and other related parties

Transactions between key management personnel and other related parties have been considered, and there are no matters to report.

Other transactions

Other related transactions requiring disclosure under the Directions of the Assistant Treasurer have been considered and there are no matters to report.

8.4 Motorcycle road safety reserve

The TAC premiums for certain motorcycle classes include an additional levy collected annually to fund special projects to improve motorcycle road safety in Victoria. These monies are set aside in the Motorcycle Road Safety Reserve specifically set up for this program. The program expenditure is developed by the Victorian Motorcycle Advisory Council (made up of representatives from the State's main road safety agencies, the RACV and motorcyclist interest groups) and administered by Department of Transport which seeks reimbursement for expenditure from the TAC.

8.5 Commitments and contingencies

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed if quantifiable and are measured at nominal value inclusive of GST. There are no material contingencies for the year ended 30 June 2022 (2021: nil).

Commitments include operating expenditure commitments arising from non-cancellable contractual sources and are disclosed at their nominal value inclusive of GST.

Administrative Expenditure	2022 \$000	2021 \$000
Administrative expenditure contracted at balance date, but not provided for:		
- not later than one year	168,026	226,730
- later than one year but not later than five years	240,277	349,849
- later than five years	111,806	4,391
	520,109	580,970

Included in the administrative expenditure is a total amount of \$373 million (nominal) of commitments by the TAC to provide funding for major road safety infrastructure programs (SSRIP) in Victoria (2021: \$458 million (nominal)).

8.6 Controlled entity

Residential Independence Pty Ltd (RIPL) as trustee for the Residential Independence Trust (RIT) is a controlled entity of the TAC which is wholly owned by the TAC. The RIT was established on 1 February 2011. The RIPL was incorporated in Victoria, Australia on 21 December 2010 and its principal activity is to establish a portfolio of residential property configured so that the accommodation is suitable for TAC's seriously injured clients.

The result of RIT is not consolidated in the financial statements as the impact of consolidation is not considered as material. The valuation included in the financial statements is the cost of the units held as at 30 June 2022 by the TAC which are 39,100,000 ordinary units issued at \$1 each, fully paid (2021: 36,600,000 ordinary units issued).

At 30 June 2022, the total assets of the RIT for which RIPL acts in the capacity of the trustee are \$42.943 million (2021: \$38.819 million) and total liabilities are \$0.098 million (2021: \$0.080 million)

The total result of the RIT for which RIPL acts in the capacity of the trustee for the financial year ended 30 June 2022, is a total comprehensive profit for the year of \$1.606 million (2021: profit of \$3.570 million) which comprises of income of \$0.892 million (2021: \$1.129 million), other comprehensive income of \$2.213 million (2021: \$3.833 million) and total expenses of \$1.499 million (2021: \$1.392 million).

8.7 Events after reporting date

There has not been any matter or circumstance occurring subsequent to balance sheet date that has significantly affected, or may significantly affect, the operations of the TAC, the results of those operations or the state of affairs of the TAC.

8.8 Application of standards not yet effective

The AASB has issued the following new, or amendments to, Australian Accounting Standards which are applicable to the TAC. These amendments are not effective for the annual reporting period ended 30 June 2022 and have not been applied in preparing the TAC's financial report.

The nature of the application of these standards could impact the classification and measurement of balances in the financial report. The extent of any impact of AASB 17 '*Insurance Contracts*' has not yet been determined for public sector entities.

Title		Operative Date
AASB 17	Insurance Contracts	Not yet determined

Corporate Governance

This statement covers the main corporate governance practices that ensure the TAC is managed to achieve its mission, meets commitments to stakeholders and operates commercially.

CHAIR

Greg Wilson

Appointed March 2019
Reappointed November 2020

BOARD OF MANAGEMENT

Jane Brockington

Appointed October 2017
Reappointed November 2020

James Flintoft

Appointed July 2019

David Heath

Appointed February 2017
Reappointed February 2020

Louisa Hudson

Appointed August 2016
Reappointed August 2019
End of term June 2022

Julia Mason

Appointed August 2016
Reappointed August 2019
End of term June 2022

Sharon McCrohan

Appointed December 2019

John Merritt

Appointed October 2018
Re-appointed October 2021

Dr Samantha Smith

Appointed February 2017
Reappointed February 2020

The Chair and the Board are nominated by the Assistant Treasurer and the Minister for Roads and Road Safety and appointed by the Governor in Council.

There are presently nine non-executive directors, including the Chair.

The Board has established clearly defined accountabilities and delegations for the Chief Executive Officer.

Policies and procedures cover all aspects of the TAC's activities and are reviewed regularly to ensure that the TAC achieves its objectives regarding:

- Compliance with applicable laws and regulations
- Reliability of financial reporting
- Safeguarding of assets
- Effectiveness and efficiency of operations.

DIRECTORS' ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

Directors are entitled to seek independent professional advice in connection with their duties at the TAC's expense, unless determined otherwise by the Board.

CONFLICT OF INTEREST

If a director has a direct or indirect interest in a matter being considered by the Board and the interest could conflict with the proper performance of the director's duties in relation to the consideration of the matter, the director, as soon as practicable after the relevant facts come to the director's knowledge, must disclose the nature of the interest at a meeting of the Board.

If the Board considers the conflict to be material, the director will leave the meeting for the duration of the relevant agenda item and consequently will not participate in the discussion or resolution of the matter.

The director's absence from the meeting for the relevant agenda item is recorded in the Minutes of the meeting.

BOARD COMMITTEES

Risk Committee

Members at 30 June 2022: Jane Brockington (Chair), David Heath (from February 2022), Sharon McCrohan, John Merritt (up to February 2022), Dr Samantha Smith and Greg Wilson (up to February 2022) all of whom are independent persons for the purpose of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* (Vic).

The purpose of the Risk Committee is to assist the Board to fulfil its oversight responsibilities relating to:

- the implementation, operation and adequacy of the risk management and internal control framework that the TAC uses to identify and manage key business, financial, fraud and regulatory risks
- the TAC's compliance with relevant laws, regulations, standards and codes including the Victorian Government Risk Management Framework.

Audit Committee

Members at 30 June 2022: David Heath (Chair), Jane Brockington (from February 2022), James Flintoft, Louisa Hudson (up to February 2022), Julia Mason and Greg Wilson (up to February 2022) and all of whom are independent persons for the purpose of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* (Vic).

The purpose of the Audit Committee is to assist the Board to fulfil its oversight responsibilities relating to:

- the integrity, effectiveness and quality of the TAC's financial reporting and disclosures
- the effectiveness of the TAC's risk management framework
- the independence, work plan and effectiveness of the TAC's External Auditor
- the External Auditor's annual audit of the TAC's financial statements
- the qualifications, engagement, fees, scope of work and effectiveness of the TAC's Internal Audit function
- the TAC's compliance with relevant laws, regulations, standards and codes including the 'Prudential Insurance Standard for Victorian Government Insurance Agencies', the 'Prudential Standard: VFMC and the Centralised Investment Model', the *Financial Management Act 1994* (Vic) and the *Standing Directions of the Assistant Treasurer under the Financial Management Act 1994* (Vic).

People, Culture and Remuneration Committee

Members at 30 June 2022: Louisa Hudson (Chair), Julia Mason (from February 2022), Sharon McCrohan (up to February 2022), John Merritt, Dr Samantha Smith and Greg Wilson (up to February 2022) all of whom are independent persons for the purpose of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* (Vic).

The People, Culture and Remuneration Committee's primary roles and responsibilities cover the following areas: People and Culture, Workforce Strategy, Diversity and Inclusion, Health, Safety and Wellbeing, Remuneration Policy, Annual Remuneration Review, Compliance, People Risks and Disclosure.

Prudential Standards

The Board is required to submit annual confirmations or attestations of compliance with the 'Prudential Insurance Standards for Victorian Government Insurance Agencies' and the 'Prudential Standard: Victorian Funds Management Corporation and the Centralised Investment Model'.

These standards impose obligations regarding governance, strategic planning, liability reserving, capital management, pricing, reinsurance, actuarial review, breach reporting, risk management, outsourcing, fit and proper requirements and the setting of appropriate investment objectives for TAC funds.

Certifications or attestations have been issued by the Board for the year ending 30 June 2022.

Risk Management

The TAC has in place a risk management framework to ensure effective identification, assessment and management of risks. That framework details the roles of the Board and its committees, management and the internal auditor. The Board is responsible for setting the risk appetite for the organisation to guide management in their decision making.

The Risk Committee oversees the framework and is responsible for ensuring the effectiveness of the design and implementation of control strategies and operational practices.

Compliance with the Victorian Government Risk Management Framework

Standing Direction 4.5.5 of the *Financial Management Act 1994* (Vic) requires public sector agencies to provide an annual attestation of compliance with the risk management process requirements set out in the Victorian Government Risk Management Framework.

The TAC Risk Committee has considered the Statement by the Chief Executive Officer on compliance with the Victorian Government Risk Management Framework, the Executive Leadership Team internal attestation process and independent assessments from Internal Audit.

On this basis, I certify that the TAC has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The TAC Risk Committee has verified this.

Compliance

This section includes the disclosures required by the *Financial Management Act 1994* and the *Transport Accident Act 1986* (the Act).

INCORPORATION AND MINISTERIAL RESPONSIBILITY

The TAC is a body corporate established under section 10 of the Act (No. 111 of 1986, version No. 152 incorporating amendments as at 1 March 2020). The Act sets out the objectives, functions and powers of the TAC.

Under the General Orders dated 20 June 2020 and 27 June 2022, the Minister for Roads and Road Safety is responsible for the *Transport Accident Act 1986*, except:

- Sections 11-14 in so far as they relate to the Transport Accident Commission's budget, financial report and management of the Transport Accident Fund (in so far as they relate to those matters, these are jointly administered with the Assistant Treasurer); and
- Sections 29, 29A and 29B (these sections are jointly administered with the Assistant Treasurer).

MINISTERIAL DIRECTIONS

There were no ministerial directions given by the Minister for Roads and Road Safety in the period 1 July 2021 to 30 June 2022.

THE TAC'S OBJECTIVES, FUNCTIONS, POWERS AND ACCOUNTABILITY

Sections 11, 12, 13 and 14 of the Act set out the objectives, functions, powers and accountability of the TAC.

OBJECTIVES OF THE COMMISSION (SECTION 11)

- To manage the transport accident compensation scheme as effectively, efficiently and economically as possible
- To ensure that appropriate compensation is delivered in the most socially and economically appropriate manner and as expeditiously as possible
- To ensure that the transport accident scheme emphasises accident prevention and effective rehabilitation
- To develop such internal management structures and procedures that will enable it to perform its functions and exercise its powers effectively, efficiently and economically
- To manage claims under the *Accident Compensation Act 1985* or the *Workplace Injury Rehabilitation and Compensation Act 2013* as an authorised agent of the Victorian WorkCover Authority as effectively, efficiently and economically as possible
- If appointed as an agent of a self-insurer under section 392 of the *Workplace Injury Rehabilitation and Compensation Act 2013*, to carry out the functions and powers of a self-insurer as effectively, efficiently and economically as possible.

FUNCTIONS OF THE COMMISSION (SECTION 12)

- To administer the Transport Accident Fund
- To receive and assess, and accept or reject, claims for compensation
- To defend proceedings relating to claims for compensation
- To pay compensation to persons entitled to compensation
- To determine transport accident charges
- To collect and recover transport accident charges
- To provide advice in relation to the transport accident scheme
- To provide funds for the program referred to in subsection (3) (designed to secure the early and effective medical and vocational rehabilitation of persons injured as a result of transport accidents) and for other rehabilitation programs for persons injured in transport accidents
- To collect and assess data and statistics in relation to transport accidents
- To provide advice to the Minister in relation to matters specifically referred to the Commission by the Minister and generally in relation to the administration of this Act and the compensation scheme under this Act
- To commercially exploit knowledge and expertise in compensation schemes and scheme administration
- To act as an authorised agent under section 501 of the *Workplace Injury Rehabilitation and Compensation Act 2013*
- If appointed, to act as an agent of a self-insurer under section 392(2) of the *Workplace Injury Rehabilitation and Compensation Act 2013*
- To carry out such other functions conferred on the Commission by this or any other Act
- To promote the prevention of transport accidents and safety in the use of transport
- To design and promote, so far as possible, a program designed to secure the early and effective medical and vocational rehabilitation of people injured as a result of transport accidents to whom or on behalf of whom the Commission is or may become liable to make any payment under the Act.

POWERS OF THE COMMISSION (SECTION 13)

- To do all things that are necessary or convenient to be done for, or in connection with, the performance of its functions and to enable it to achieve its objectives
- To enter into agreements or arrangements and settle or compromise differences or disputes with other persons
- To apply for, obtain and hold intellectual property rights (including patents, copyrights, trade-marks and registered designs)
- To enter into agreements or arrangements for the commercial exploitation within or outside Victoria of intellectual property rights and ancillary services on any terms or conditions as to royalties, lump sum payments or otherwise as the Commission may see fit
- To enter into agreements or arrangements within or outside Victoria for the provision by the Commission of administration, management or information systems or services
- To do all things necessary or convenient to be done in connection with acting as an authorised agent of the Victorian WorkCover Authority under section 501 of the *Workplace Injury Rehabilitation and Compensation Act 2013* and as an agent of a self-insurer under section 392(2) of that Act.

ACCOUNTABILITY OF THE COMMISSION (SECTION 14)

The Commission must perform its functions and exercise its powers subject to the general direction and control of the Minister and in accordance with any specific written directions given by the Minister in relation to a matter or class of matters specified in the directions.

If the Commission is given a written direction, the Commission may cause the direction to be published in the Government Gazette and must publish the direction in its next annual report.

LEGISLATION

The following legislative changes have occurred in the period from 1 July 2021 to 30 June 2022.

On 24 May 2022, the *Road Safety Legislation Amendment Act 2022* (No. 18 of 2022) (the Amendment Act) received Royal Assent.

The Amendment Act will make the following changes on commencement to the *Transport Accident Act 1986* (the Act).

- Amending the definition of **'member of the immediate family'** in section 3(1) to include grandchildren. The effect is that a grandchild is now, alongside a partner, parent, grandparent, child and sibling to be a member of the immediate family of a client for the purposes of entitlements including travel, accommodation and family counselling benefits.
- Amendment to the definition of **'dependent child'** in section 3(1), as well as other age eligibility thresholds in 58(6) and 59(3) (4) and (6) for dependency benefits, to increase the age of dependency from under 16 to under 18. The effect is that dependent children will have access to dependency benefits up to the age of 18, even if they are not a full time student.
- Inserting sections 44(2)(ab) and 45(5A) to ensure that someone who is currently receiving a loss of earnings (LOE) payment and has a subsequent transport accident is not disadvantaged with reduced benefits for the purposes of calculating the benefits they are entitled to from the subsequent transport accident.
- Amending section 49(5A) such that where a client's pre-accident earning capacity cannot be determined, their capacity is calculated at 100%, instead of 80% of the average weekly earnings for all employees in Victoria last published by the Australian Bureau of Statistics. Because clients are generally paid at 80% of their capacity, this means their payments will generally now be 80% of that amount instead of 80% of 80% (64%).
- Inserting additional convictions as exclusions for receiving entitlements under the Act to section 39(a) and (b), including murder, manslaughter and child homicide involving the use of a motor vehicle in addition to the existing offences of dangerous or culpable driving causing death. Additionally, the dependency sections of 57, 58, and 59 have also had murder, manslaughter and the dangerous/culpable driving now stipulated as exclusions such that someone convicted of those offences in relation to killing their parent/partner will not receive dependency benefits in that circumstance.

- Amending section 53(1) so that someone who is injured in a transport accident within 36 months of attaining the ordinary retiring age for their occupation or the pension age is entitled for a period of up to 36 months for weekly income benefits payments. Those changes are an increase from the previous entitlement for people within 12 months of reaching retirement/pension age to receive payments for up to 12 months.
- Inserting new section 59(11A) to allow a dependent child whose parents have both been killed in the same transport accident to receive 2 sets of dependency payments (one for each parent). Previously, in this circumstance dependent children would only receive one set of payment in this circumstance.
- Inserting section 59(15) to require the responsible person for a child under 18 receiving dependency benefits on their behalf to notify TAC when they cease having care of the child, as well as section 59(16) so that a person who becomes the responsible person also must notify the TAC. Section 59(17) is also inserted to define the terms ‘responsible person’, ‘parental responsibility’ and ‘care’ such that effectively, a responsible person is the person with daily care.
- Inserting section 94(1)(c) to allow the TAC to indemnify a person who causes a dooring accident with a cyclist, even if that person is not the owner or driver of the vehicle. Further changes are made in sections 94(13), 96, 99, and 100 to account for this change since the new category of ‘indemnified person’ has been altered beyond just including the owner or driver, as previous.
- Amending section 120(1) to allow the TAC to file charges under the *Crimes Act 1958* for offences in connection with a claim for compensation under the Act.
- Substituting the previous secrecy provisions under section 131 with a new section to clarify the circumstances under which specified persons including TAC officers and employees can disclose TAC information. Examples of permitted disclosure include to law enforcement agencies if there is a serious threat to an individual’s life, health, safety or welfare or of an offence against a law of the Commonwealth or another State or Territory relating to the payment of a benefit or compensation that involves fraud or dishonesty.
- Amending a reference in section 56A(4) to the *Transport Accident (Impairment) Regulations 2010* with “regulations (if any)” so that this section will remain current to updated regulations as changed in the future.

SUBORDINATE LEGISLATION

Regulations

On 14 December 2021 the *Transport Accident (Administration of Charges) Amendment Regulations 2021* (Amendment Regulations) came into effect. The Amendment Regulations made changes to the *Transport Accident (Administration of Charges) Regulations 2021* (the Regulations) which had come into effect on 18 May 2021.

The Regulations provide the framework to collect and refund the TAC Charge including the periods and times for payment of the TAC Charge. The TAC Charge is a mandatory charge under the *Transport Accident Act 1986* (Vic) and provides TAC coverage for Victorian motorists and other parties injured or killed in a transport accident involving the Victorian registered vehicle. The TAC Charge is collected by VicRoads on behalf of the TAC.

The amendments made on 14 December 2021 to the Regulations were to update and amend references to reflect the commencement of the *Road Safety (Vehicles) Regulations 2021* (Vehicle Regulations) which commenced on 30 September 2021.

Orders in Council

There was one Order in Council in the reporting period from 1 July 2021 to 30 June 2022.

The Transport Accident Charges Order (No. 1) 2022 was published in the Government Gazette on 12 May 2022 (No. G19 on 12 May 2022).

The objectives of this Order was to prescribe the TAC charges applicable to all classes of motor vehicles that are to apply from 1 July 2022 for the 2022–2023 financial year. The effect of the Order was to index the transport accident charges for the year commencing 1 July 2022. Changes were made to the format of the Order to improve readability and shorten the Schedules length.

Ministerial Orders

There were no Ministerial Orders in the period from 1 July 2021 to 30 June 2022.

The Public Interest Disclosures Act 2012

The TAC encourages the reporting of known or suspected incidences of improper conduct and corruption by the TAC or its officers, employees or agents. As the TAC is not able to receive protected disclosures, employees can make disclosures directly to the Independent Broad-based Anti-Corruption Commission (IBAC). Disclosures to IBAC are protected. Members of the public who are clients of the TAC or users of the services provided by the TAC can also make disclosures to IBAC.

Disclosures can also be made to the employee's manager, the Chief Financial Officer, the Head of People and Culture or to the TAC's Public Interest Disclosure Co-ordinator.

Such disclosures are not automatically protected.

The TAC has procedures in place to support and protect disclosers and to prevent detrimental actions being taken against them by officers, employees or agents of the TAC.

The TAC's Chief Executive Officer has a mandatory obligation to report matters of suspected corrupt conduct to IBAC.

Consultancies (>\$10,000)	Description of work	Total approved project fee \$000	2021/22 expenditure \$000	2020/21 expenditure \$000	Future expenditure \$000
Cunei	Enterprise Data Strategy Mobilisation	20	13	-	7
Deloitte Consulting	Knowledge Management -Blueprint Design & Delivery	300	300	-	-
Generator Talent	Organisation Design	45	45	-	-
KPMG	Next Generation Claims Model Blueprint	883	879	-	4
Lefta Corp	Enhancing Opportunities for People with Disabilities	68	68	-	-
PWC	Strategic Workflow Optimisation - Data Optimisation (First Nations Data Capture)	8	8	-	-
PWC	TAC Reconciliation Action Plan (RAP)	57	15	-	42
Strandroth	Consulting Development of TAC's Long Term Road Safety Investment Strategy	319	226	-	93

During 2021/22, there were 8 consultants engaged where the cost of each individual engagement was in excess of \$10,000.

There were no other consultants engaged during the year where the total cost was less than \$10,000 per individual engagement.

Total approved project fees and expenditure for 2021/22 exclude GST.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the 2021/22 reporting period, TAC had a total ICT expenditure of:

(\$ million)			
BAU ICT Expenditure	Non-BAU ICT Expenditure Total =	Operational	Capital
Total	A + B	expenditure A	expenditure B
34.6	7.8	3.4	4.4

ICT expenditure refers to the TAC's costs in providing business-enabling ICT services. It comprises of Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the TAC's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure (including depreciation and amortisation) which primarily relates to ongoing activities to operate and maintain the current ICT capability.

BUILDING ACT 1993

The TAC's policy with respect to new building works, and alterations to existing buildings, is to comply with the *Building Act 1993* as though the TAC were not exempt from compliance as a public authority (this is provided for in section 217 (3) of the *Building Act 1993*).

Some premises occupied by the TAC may have been constructed or altered under exemptions for public bodies which applied at the time.

The TAC is unaware of any material non-compliance with the current building standards for buildings of their nature and age.

DISABILITY ACTION PLAN

The TAC's disability action plan (DAP), launched in 2018, not only outlines how we will interact with clients and providers, but also with our employees and the wider Victorian community to become a more inclusive organisation.

The TAC DAP is compliant with the *Disability Act 2006*, and focuses on three pillars, "Access, "Employment" and "The Community", with key focus areas under each pillar.

Our commitment to equal opportunities for employees and candidates with a disability is demonstrated through our status as a Disability Confident Recruiter.

THE CARERS RECOGNITION ACT 2012

The TAC has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. These include considering the carer relationships principles set out in the Act when setting policies which affect employees in care relationships. The TAC's employment policies include the provision of carers leave, flexible working hours, purchased leave and the ability to work from home, which comply with the statement of principles in the Act.

MISCELLANEOUS DISCLOSURE

To the extent applicable, the information required under Financial Reporting Direction 22 issued by the Minister for Finance under Section 8 of the *Financial Management Act 1994* has been prepared and is available on request.

ADVERTISING AND COMMUNICATIONS DISCLOSURE

Transparency in advertising and communications guidelines introduced in July 2012 make it mandatory for State Government organisations to disclose expenditure for campaigns with a total media buy of more than \$100,000.

The TAC works closely with the Department of Transport, our road safety partners including Victoria

Police, and health and disability stakeholders in developing public education campaigns that engage the broader Victorian community in road safety issues and lead to improved understanding, behaviours and ultimately, fewer deaths and serious injuries.

Significant research and planning underpins the development of these campaigns to ensure they are evidence-based and relevant.

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Joe Calafiore, on behalf of the Responsible Body, certify that the Transport Accident Commission has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Joe Calafiore
CHIEF EXECUTIVE OFFICER

FREEDOM OF INFORMATION

The Transport Accident Commission (TAC) is subject to the *Freedom of Information Act 1982* and not subject to direct access provisions in the *Privacy & Data Protection Act 2014* or the *Health Records Act 2001*.

The TAC stores most information electronically with a high volume of documents being created, stored and updated on a claims management system. Business and financial information is also mainly stored electronically. A small amount of aged information can still be found in paper format or on microfiche.

In the 2021-22 financial year, the TAC received 1658 Freedom of Information (FOI) requests in total. Twenty-one of these requests were not from clients or their representatives for claim related information. This is a slight decrease from 2020-21, in which TAC received a total of 1789 requests.

Of the 1842 decisions made in 2021-22 (some carried over from the previous financial year), 990 were made within the requirements of section 21 of the FOI Act (30 days). The remaining 852 decisions were made outside the 30 day timeframe. This is a 54% compliance rate with the statutory deadline.

There have not been any requests for amendments to personal records.

PRIVACY

The TAC is an agency subject to the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*. These Acts are used cohesively to govern privacy protection around personal and health information.

The TAC's Information & Privacy Team have been assessing all business wide privacy incidents and breaches since May 2016.

In the 2021-22 financial year, the TAC has continued to raise awareness amongst staff regarding the importance of reporting privacy issues, resulting in an increase of reported privacy incidents and enquiries from the business.

The TAC considers a 'privacy incident' to be a release of information in error that has been rectified (e.g. documents were sent to the wrong recipient and securely destroyed or returned), or an upload error (e.g. documents saved to an incorrect claim file) that has been contained. A 'privacy breach' is where a breach has occurred and has not been successfully contained (e.g. documents were sent to the wrong recipient and were not returned to the TAC).

In the 2021-22 financial year the TAC responded to 19 formal privacy complaints. Formal complaints are written complaints received from the individual directly concerned or via the Office of the Victorian Information Commissioner (OVIC).

NATIONAL COMPETITION POLICY

Review of Legislative Restrictions

In accordance with its National Competition Policy commitments, the Government commissioned a review of Victoria's transport accident compensation legislation in September 2000. The review identified three main restrictions on competition: the compulsory nature of the scheme, the TAC as a legislated monopoly and centralised premium setting.

To address centralised premium setting, the Finance Minister now has discretion to request the Essential Services Commission to provide an independent review of the TAC's proposed premium each year.

Competitive Neutrality

Under Competitive Neutrality policy, the TAC is listed as a significant business enterprise. In accordance with this policy, the TAC pays the full suite of Commonwealth and State taxes or tax equivalents. The TAC is not a net borrower in its own right and therefore is not subject to the Financial Accommodation Levy.

PUBLIC SECTOR VALUES AND EMPLOYMENT PRINCIPLES

The TAC has a number of initiatives in place to ensure the highest possible standard of integrity and conduct throughout the business, as per the values, principles and conduct outlined by the Victorian Public Sector Commission (VPSC).

Our commitment to meeting the public sector values and employment principles set out in the *Public Administration Act 2004* is enacted through our policies, procedures and employee training modules which reflect these principles.

Our intranet remains a central source of information relating to public sector conduct and the Victorian Public Service employment principles as well as our employee training modules and advice provided by our People and Culture team.

OCCUPATIONAL HEALTH AND SAFETY

The TAC is committed to ensuring the safety of our staff and has implemented important Occupational Health and Safety (OH&S) initiatives across the business to enhance safety performance and ensuring safe working systems.

INCIDENT MANAGEMENT

Reported incidents across the TAC increased per 100 FTE in 2021/22. These incidents include employee injuries, client/stakeholder behaviours of concern (BOC) as well as workplace hazards and near misses. This increase was anticipated and is the direct result of a comprehensive campaign aimed at educating employees to better understand what constitutes an incident and to actively report on them.

The following details our performance against key OH&S performance measures.

TOTAL EMPLOYEE NUMBERS: 1,168.32 FTE

Incident breakdown	2021/22
Total incidents	625
Incidents per 100 FTE	6.25
Total hazards & near miss	61
Hazards & near miss per 100 FTE	0.61
Total client/stakeholder behaviours of concern (BOC)	469
Client/stakeholder behaviours of concern (BOC) per 100 FTE	4.69
Total employee injuries	95
Employee injuries per 100 FTE	0.95

WORKCOVER CLAIMS AND RETURN TO WORK

The number of WorkCover claims in 2021/22 decreased to four (4). The average claim cost however, increased to \$123,719 and this is due to the type of injury/illness/condition and duration of the claim, which impacts the future liability of the claim and associated costs to be paid.

Income Band	2021/22
Total claims (standardised)	4
Claims rate per 100 FTE	0.04
Number of time lost claims	1
Time lost claims per 100 FTE	0.01
Number of 13 week claims	0
13 week claims per 100 FTE	0
Number of fatality claims	0
Number of claims with return to work plans initiated	2

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of items listed below have been retained by the TAC and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- statement that declaration of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee, or held beneficially in a statutory authority or subsidiary
- details of publications produced by the TAC about the TAC and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the TAC
- details of any external reviews carried out by the TAC
- details of major research and development activities undertaken by the TAC
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the TAC to develop community awareness of the TAC and its services
- list of major committees sponsored by the TAC, the purpose of each committee and the extent to which the purposes have been achieved

- details of all consultancies and contractors
- details of time lost through workplace accidents and disputes
- details of Machinery of Government (MoG) costs to the TAC.

THE INFORMATION IS AVAILABLE ON REQUEST FROM:

Freedom of Information Manager
Victorian Transport Accident Commission (TAC)

PO Box 742
Geelong VIC 3001

Email: foi@tac.vic.gov.au

ADDITIONAL INFORMATION INCLUDED IN THE TAC 2021/2022 ANNUAL REPORT:

Details in respect of the following item has been included in this report, on the page indicated below:

Details of assessments and measures undertaken to improve the occupational health and safety of employees (on page 102).

LOCAL JOBS FIRST STANDARD PROJECTS

During 2021/2022, the TAC commenced one state-wide standard project with a total estimated value of \$8.7 million for which a Local Industry Development Plan (LIDP) was required. This project commits 97% Local Content and the retention of 0.7 Victorian Annualised Employee Equivalent (AEE). The Major Projects Skills Guarantee was not required to apply.

The TAC had no Strategic Projects commence or complete during 2021/2022.

During 2021/2022, the TAC completed one state-wide standard project with 100% Local Content committed. This included retention of 3.4 Victorian AEE. The Major Projects Skills Guarantee was not required to apply.

SOCIAL PROCUREMENT

The TAC Social Procurement Strategy recognises the importance of generating wider social and environmental benefits through our procurement. The strategy has three priority objectives:

- Sustainable Victorian regions - Job readiness and employment for people in regions with entrenched disadvantage.
- Environmentally sustainable outputs - Project specific requirements to use sustainable resources and to manage waste and pollution
- Sustainable Victorian social enterprise and Aboriginal business sectors - Purchasing from Victorian social enterprises and Aboriginal businesses

During 2021/2022, the TAC has continued to directly engage social benefit suppliers, with a particular focus on building partnerships with Aboriginal and Torres Strait Islander owned businesses with the support of Kinaway Chamber of Commerce. The TAC engaged with 13 suppliers for a range of goods and services during 2021/2022, with an annual spend of approximately \$119,000.

The TAC will continue to find opportunities to deliver social benefit through its procurement and achieve value for money.

PUBLICATIONS

The TAC produces and makes available an extensive list of publications, brochures and other resources to assist our clients and the general public to better understand our organisation and what we offer. These are chiefly housed on our website: tac.vic.gov.au

The TAC also publishes a range of information about TAC benefits and supports. These are available at: tac.vic.gov.au/brochures

Our publications include;

Description	Mode of access
Supporting you after a transport accident	
Annual Transport Accident charges including GST and duty	
TAC privacy charter	
Road Safety Statistical Summary	
Safe travel policy	
TAC Annual Reports	
TAC client service charter	
TAC Enterprise Agreement 2017-2021	
TAC fee schedules	
TAC research charter	
TAC support when a person dies	
Freedom of information	
The TAC's complaints process	
4th Edition Impairment Examinations Information	
Victorian Road Safety Strategy	
Victorian Road Safety Action Plan 2021-2021	

ACCESS TO INFORMATION ONLINE

The TAC's corporate website (tac.vic.gov.au) includes information about the TAC, its claim policies, fees and benefit entitlement information for the public, clients, providers and key stakeholder groups. It also includes road safety initiatives, statistics and stories relating to road safety.

Access to information for specific campaigns and target audiences can be found at:

Websites

TAC
tac.vic.gov.au

Vanessa
vanessabus.com.au

Road to Zero
roadtozero.vic.gov.au

Spokes
spokes.com.au

How Safe is Your Car
howsafeisyourcar.com.au

Safer P Platers
saferpplaters.com.au

Road Safety Education Website
roadsafetyeducation.vic.gov.au

DriveSmart website
drivesmart.vic.gov.au

Ride Ready website
ridesmartonline.com.au

Social media

Facebook
facebook.com/transportaccidentcommission

YouTube
youtube.com.au/tac

Twitter
[@TACVictoria](https://twitter.com/TACVictoria)

LinkedIn
LinkedIn.com/company/transport-accident-commission

Instagram
instagram.com/tacvictoria

In addition, the TAC provides information via its client and health provider digital platforms:

myTAC, the TAC's app and web portal, allows clients to manage their TAC claim online.

LanternPay, the TAC's online payment platform, gives TAC providers the option to send digital invoices for payment.

RESEARCH INFORMATION

Requests for information for research purposes should be directed in the first instance to the Research Branch inbox: research@tac.vic.gov.au

The request must be in writing, setting out the research purposes for which the information will be used and a definition of the data requested.

TAC Public Education Campaigns

In 2021-22 there were four TAC Public Education campaigns and various media initiatives with a total media spend of \$100,000 or greater (exclusive of GST), further the development for three new campaigns begun. The details of each campaign and media initiative are listed below:

Campaign	Campaign Summary
Public Education Campaigns	
Holiday Enforcement 'The Lucky Ones Get Caught'	An easing of pandemic restrictions, the re-opening of interstate borders and improving weather conditions had the potential to result in more dangerous summer holiday period on Victoria's roads. With this in mind, the TAC ran multiple road safety campaigns to raise awareness of the potentially fatal consequences for drivers of taking risks. ' <i>The Lucky Ones Get Caught</i> ' holiday enforcement campaign complemented and supported an increased police presence and reminded Victorians that the purpose of police enforcement on our roads is to keep everyone safe. At its core was the message that anyone partaking in risky driving could be caught out, anywhere and at any time. The campaign also ran at peak holiday periods up until May 2022.
Be The Reason 'Drive Safely for Everyone'	With an easing of pandemic restrictions, the 'Be the Reason; <i>Drive Safely for Everyone</i> ' campaign served as a timely reminder all Victorians of their road safety responsibilities. Through an evocative lens, it also helped drivers to reflect on their behaviour and their personal accountability for ensuring everyone gets home safely – because we all have someone in our lives to drive safely for.
Motorcycle Safety 'Only Protected for a Moment'	Motorcycle riders are 38 times more likely to die or be seriously injured in a road crash. TAC data shows that on average there are 2,500 motorcycle-related injury claims per year. ' <i>Only Protected for a Moment</i> ' aimed to reduce this level of trauma by highlighting the importance of protective gear and motivating riders to wear the best-available gear on every ride.
Always on Enforcement 'Anywhere. Anytime. Anyone.'	Our ' <i>Always On</i> ' enforcement campaign aimed to change the belief of one in three Victorian drivers (32%) that they can get away with dangerous driving, and the risky attitudes or repeat offenders, by reminding them that police are out in force and ready to catch them – anywhere and at any time. Commencing in June 2022, it was designed to run throughout the entire year. The five behaviours targeted in the campaign included speeding, drink driving, drug driving, distracted driving and non-use of seatbelts.

	Start Date	End Date	Advertising (Media)	Creative and	Research Expenditure
			Expenditure 2021-22	campaign development expenditure 2021-22	
			Excluding GST	Excluding GST	Excluding GST
	05-Sep-21	15-May-22	\$3,743,368.00	\$995,152.00	\$-
	05-Nov-21	26-Nov-21	\$102,944.00	\$19,339.00	\$-
	13-Feb-22	13-Mar-22	\$624,785.00	\$779,765.00	\$32,850.00
	05-Jun-22	30-Jun-22	\$202,414.00	\$1,074,408.00	\$76,807.00

Campaign	Campaign Summary
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Media partnerships	
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Outdoor Billboards	Outdoor billboards are a highly effective media channel for us to provide high visibility and impact to road safety messages reaching drivers whilst they are in the act of driving and aiming to curb risky driving behaviour in the moment. In order to keep road safety top of mind for all Victorians, year-round, we ran a range of approved road safety messages throughout the length of this partnership.
Google Search Engine Marketing (SEM)	This online activity drives traffic to TAC websites and landing pages to help educate road users about safe driving practices and road laws. Google Search Engine Marketing (SEM) helps increase the search-ability and accessibility of road safety information we provide online. The activity utilises an ongoing program of search marketing/Google AdWords activity for road safety issues.
Convenience Advertising	To keep road safety top of mind for all Victorians year-round, this annual media partnership enabled the TAC to run road safety messages in support of specific campaign activity and identified road safety concerns throughout the entire year. Various channels were used including convenience advertising (in pubs, cafes and shopping centres), Tonic Media (in doctors surgeries and pharmacies), through IGA community supermarkets and AFL stadium signage. Such partnerships provided opportunities to target specific audiences with relevant and tailored messaging, such as through the TAC's road trauma hot spot data.

Campaigns in development or on hold	
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Vehicle Safety Campaign	The TAC is in the process of developing an integrated marketing and communications vehicle safety campaign, with a specific focus on raising awareness of and demonstrating the life-saving benefits of active safety features. The campaign's core objective is to elevate a vehicle's 'active safety' to the top of the consideration list for those looking to purchase a new or used car.
Drink Drive	While strong enforcement and public education campaigns have helped to drive down drink-driving related trauma, alcohol remains the most represented drug in the death of drivers. The aim of our ' <i>Drink Drive</i> ' campaign is to refocus attention on the impacts of alcohol for drivers – from 0.05 to complete separation – in order to further reduce fatalities and serious injuries.
Speeding (Low Level)	Speeding contributes to at least 30 percent of fatalities each year and a quarter of all serious injuries sustained by vehicle occupants. In 2020, speed was a factor in over 34 percent of fatal collisions. The ' <i>Speed – the Experts</i> ' campaign increases awareness of the seriousness of low-level speeding and encourages Victorians to understand their role in recognising and addressing the problem. The campaign shares the stories of paramedics, police and medical experts to best demonstrate the consequences of speeding.
Young drivers - Dangers of night time driving	First year probationary drivers (P1 drivers) are seven times more likely than fully licenced drivers to be involved in a fatal or serious injury crash when driving at night. Furthermore, when they first start driving, they are 20 times more likely to crash. Our 'Young drivers – Dangers of night time driving' campaign supports the legislated increase from 10 to 20 night-time driving hours required of learner drivers before receiving their probationary licence. It aimed to reach parents via catch-up TV, radio, small format OOH, digital activity, social media and a direct mail-out letter but was placed on hold following COVID lockdowns.

	Start Date	End Date	Advertising (Media) Expenditure 2021-22	Creative and campaign development expenditure 2021-22	Research Expenditure 2021-22
			Excluding GST	Excluding GST	Excluding GST
	01-Aug-21	30-Jun-22	\$2,830,458.00	\$-	\$-
	01-Jul-21	30-Jun-22	\$494,622.00	\$-	\$-
	01-Aug-21	30-Jun-22	\$577,781.00	\$-	\$-
	Campaign in Development	Campaign in Development	\$106,878.00	\$108,080.00	\$79,372.00
	Campaign in Development	Campaign in Development	\$-	\$298,506.00	\$46,500.00
	Campaign on hold	Campaign on hold	\$221,715.00	\$479,478.00	\$1,625.00
	On Hold due to COVID lockdown in Aug/Sept 2021	Campaign in Development	\$72,080.00	\$55,339.00	\$-

Disclosure index

The TAC Annual Report is prepared in accordance with all relevant Victorian legislations. This index has been prepared to facilitate identification of TAC compliance with statutory disclosure requirements.

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* Throughout

