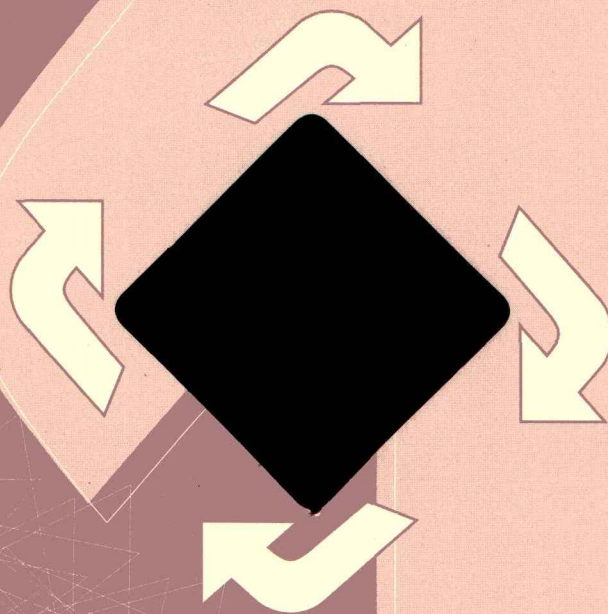
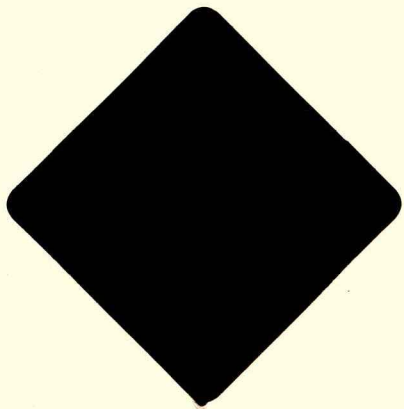


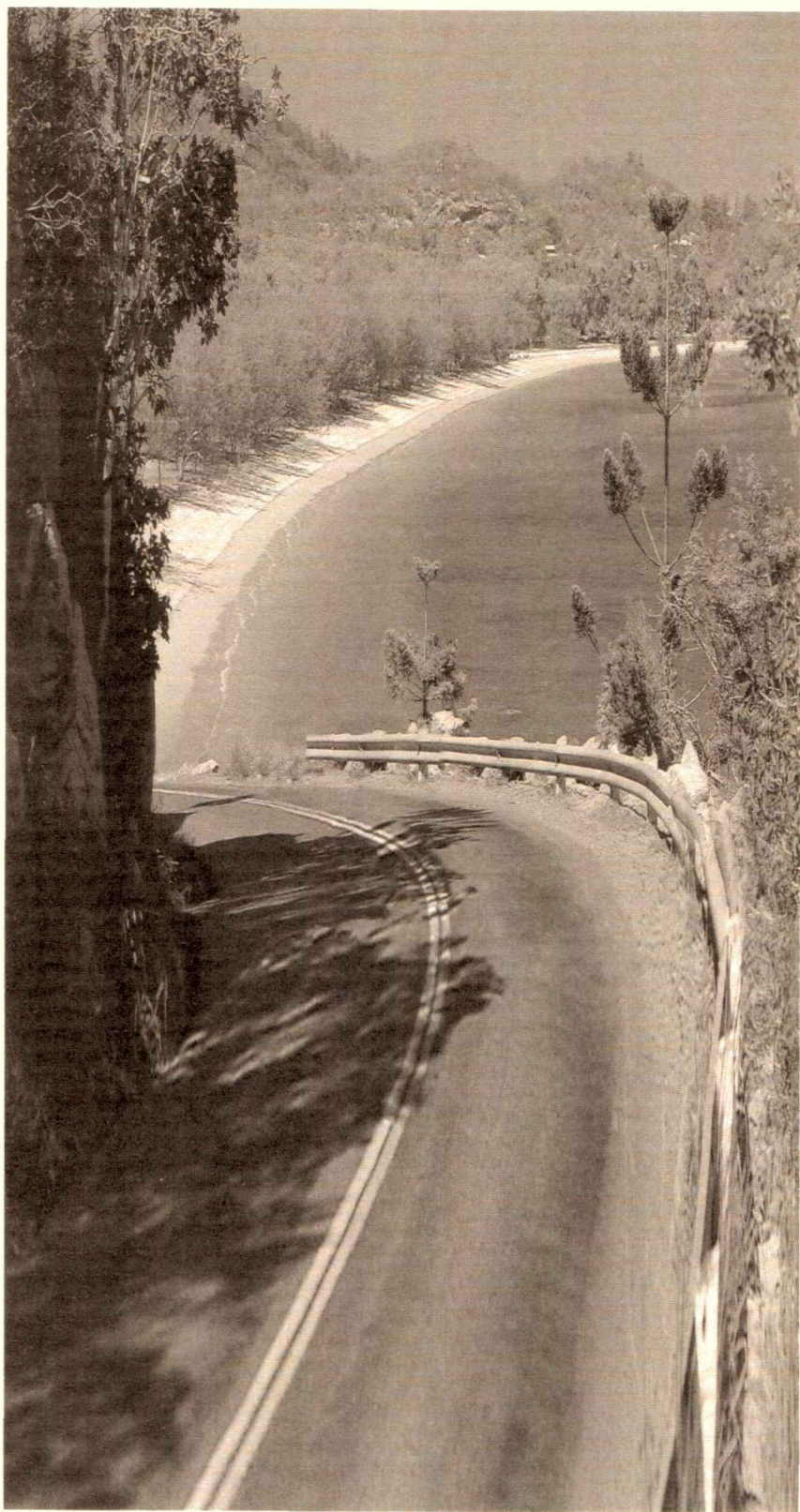
Motor Accident Insurance Commission

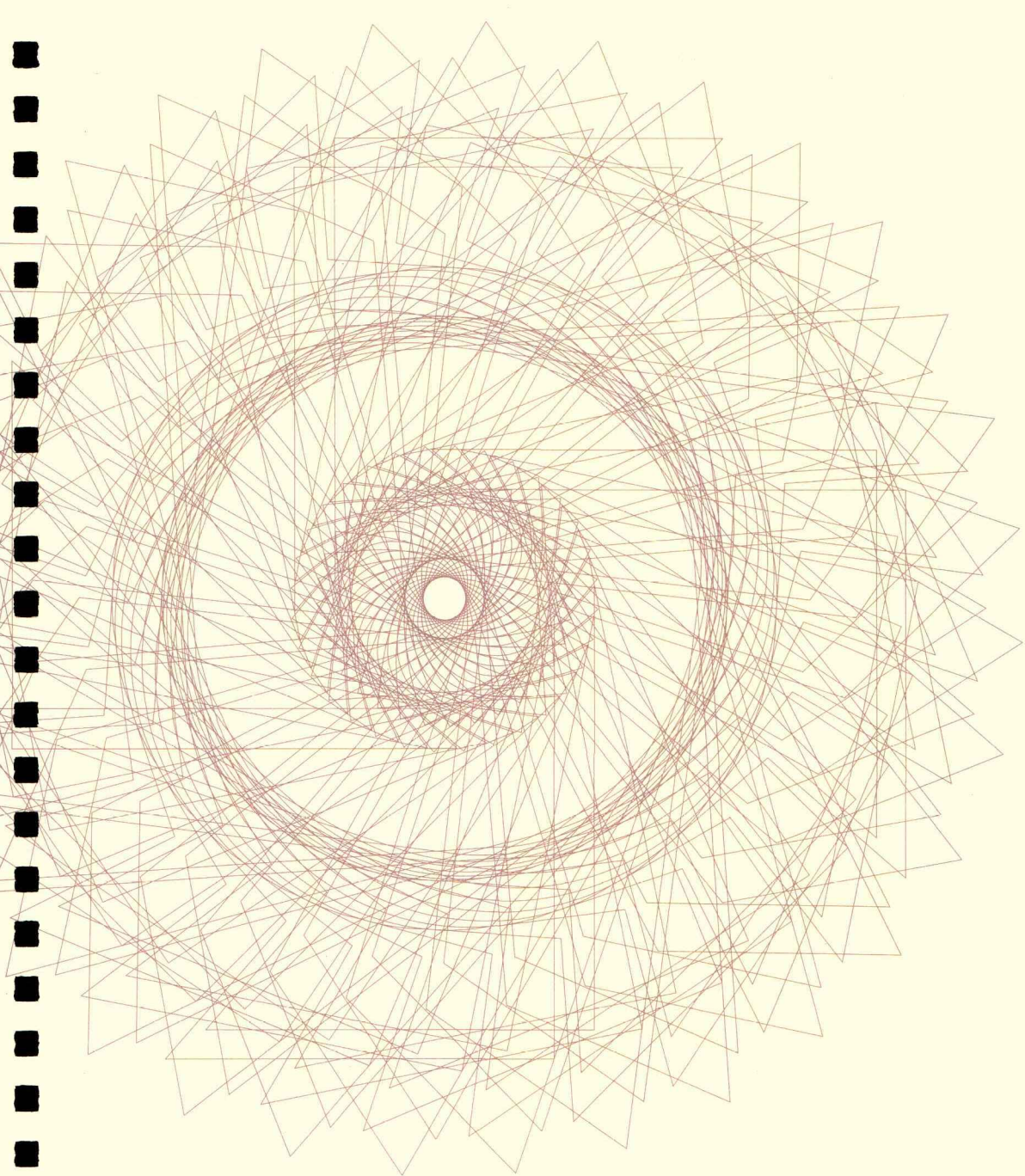
Annual Report 2002-03



WAIC







The Hon. Terry Mackenroth MP
Deputy Premier, Treasurer and Minister for Sport
Parliament House
Cnr George and Alice Streets
BRISBANE QLD 4000



Dear Minister

In accordance with Section 19 of the *Motor Accident Insurance Act 1994*, the Motor Accident Insurance Commission submits the following report on the operation of the statutory insurance scheme established by the Act, and on the financial statements of the Commission and the Nominal Defendant from 1 July 2002 to 30 June 2003.

Yours faithfully

Lesley Anderson
Insurance Commissioner

The Commission



Profile

The Motor Accident Insurance Commission (MAIC) is responsible for regulating Queensland's Compulsory Third Party Insurance Scheme and managing the Nominal Defendant Fund.

It provides a framework for the determination of premiums and ensures compliance with the provisions of the *Motor Accident Insurance Act 1994*.

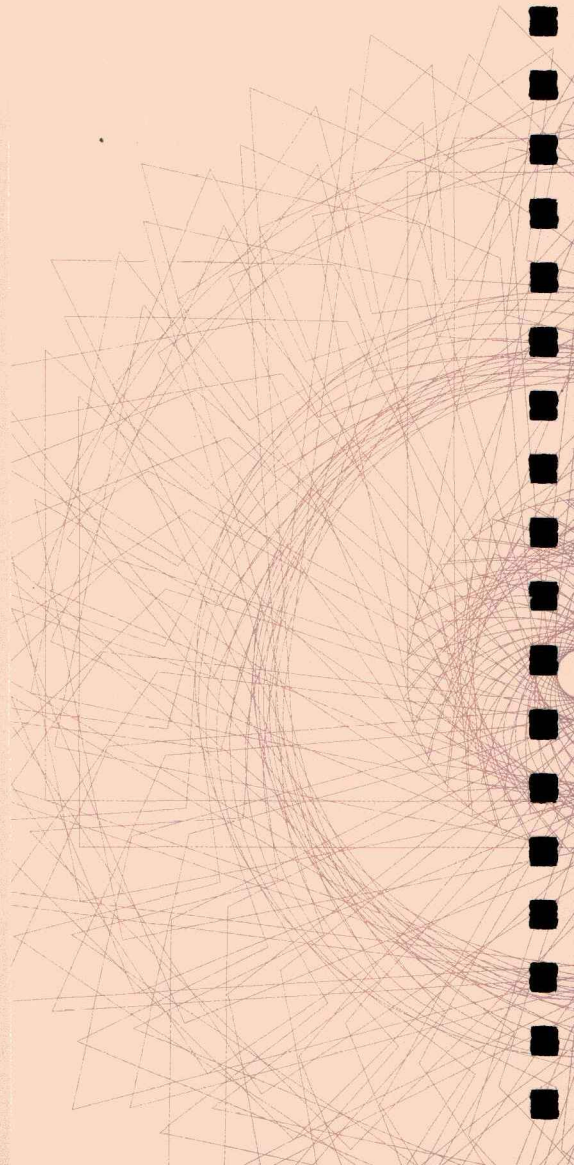
The role also includes advising the Government on the ongoing suitability of the Scheme in providing a balance between the needs of the stakeholders.

The Commission is active in programs to minimise and mitigate the effects of motor vehicle accidents through roles in funding of education and research.

Values

We are committed to these fundamental principles:

- Achieving success through leadership, service and teamwork;
- Effective communication with all stakeholders;
- Striving for leading edge technical competence; and
- Behaving with integrity and independence.



Communication Strategy



This annual report has been prepared to provide an overview of the operation of Queensland's Compulsory Third Party (CTP) Insurance Scheme and the Commission's approach to the management and regulation of the scheme.

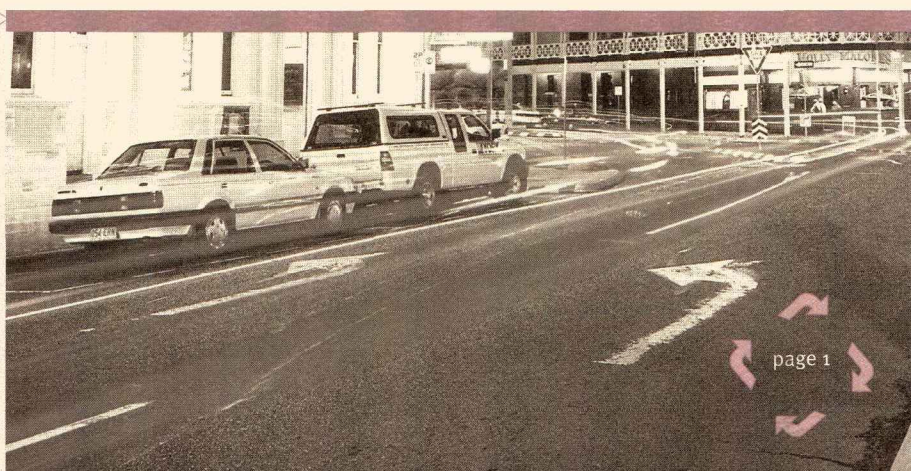
The report addresses the informational needs of a diverse group of readers including: policy holders, claimants, underwriters, legal and medical professionals, motoring and motor trade organisations, government, media and other regulatory organisations.

This document includes the Commission's strategic plan, statistical information relating to the scheme, and the audited financial statements of both the Motor Accident Insurance Commission and the Nominal Defendant.

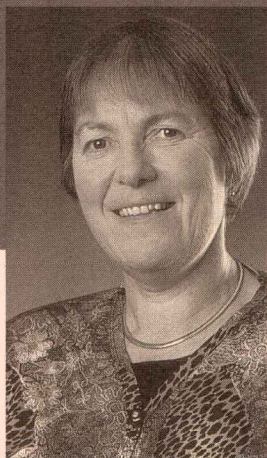
Further information on the CTP Scheme and the Commission's operations can be found at www.maic.qld.gov.au or by telephoning the CTP Helpline on 1300 302 568.

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Commissioner's Report



Affordability

Section 15 of the Motor Accident Insurance Act 1994 outlines recommendations for premium setting within the guidelines of the affordability index. Calculation of the affordability index is made by determining 45% of the appropriate Queensland average full-time adult ordinary time earnings. When the highest class 1 premium filed by an insurer exceeds the index, this will trigger a review of Scheme design.

Affordability is directly linked to the number of claims and the amount of compensation paid to claimants. Over the past two years, the gap between the affordability index and the highest class 1 premium has narrowed, due to the growth in claims payouts. Whilst there has been a significant decrease in claim frequency, there is evidence that awards for future economic loss and general damages continue to increase.

To maintain the affordability of CTP, expectations of further growth in claims payouts will need to be contained. The Commission believes this should be achieved through tort reform introduced in the *Personal Injuries Proceedings Act 2002* and the *Civil Liability Act 2003* as some of the provisions contained within these Acts extend to CTP.

In particular, the Commission is of the view that the likely benefits flowing from the introduction of the injury scale values for general damages in the *Civil Liability Act 2003* should result in cost containment. Additionally, the Commission believes that savings may still be made from the claims process reforms introduced in October 2000 through improved use of the provisions for compulsory conferencing and mandatory final offers. These matters will be closely monitored.

Efficiency

The cost of delivering benefits to injured parties is an important part of the affordability of the scheme. Delivery costs include legal and associated costs, insurer expense and profit allowances, and administrative levies. Despite the October 2000 amendments which were expected to improve scheme efficiency, the percentage of CTP premium expended on delivery costs has remained at around 33%.

While the nature of a common law scheme suggests that CTP claimants will be legally represented, the Commission believes that the scheme should enable claimants who choose to be unrepresented to obtain fair and equitable compensation without necessarily having to incur legal costs. This should especially be so for claimants with minor injuries whose claims payments can largely be expended on legal costs. The feature article on pages 18 to 20 discusses the place of unrepresented claimants in the Queensland scheme.

An associated aspect of efficiency is the ratio of payments made to those claimants with serious injuries as compared to those with minor injuries. The Commission is of the view that a disproportionate amount is still paid to those with minor injuries, and it is hoped that the introduction of injury scale values for general damages may counteract this. If not, other strategies may need to be considered to contain payments made for minor injuries if the scheme is to be considered fair.

Premium setting process

The current premium setting process, known as the vehicle class filing model, allows insurers to file premium rates each quarter, subject to a floor and ceiling range determined by the Commission in consultation with its independent actuary.

At the time it was introduced, the model was seen as a means of minimising Governmental control and allowing insurers some premium pricing flexibility. By giving consumers greater choice, it was also seen as a means of driving more efficient practices by insurers, sharpening premium pricing and delivering other benefits for drivers such as at-fault cover.

While some of these benefits have been realised, the variation between insurers' premiums has reduced over time with all insurers filing at or near the ceiling for the last 3 quarters of the reporting period, possibly reflecting their assumptions that the recent emergence of a high rate of claims costs in excess of wage inflation (ie superimposed inflation) will continue.

However, the intrinsic nature of long tail business means it is possible to take widely different views on assumptions going forward, including superimposed inflation. In setting the ceiling, the Commission undertakes a balanced consideration of the issues. While generally factoring in elements of conservatism in the set of ceiling assumptions, the Commission also takes into account the differing perspectives of the motorist who pays the premium and the insurer who underwrites the business. In so doing, the Commission might not always move to the full extent of any emerging trends in any particular quarter. However, as the premium bands are set quarterly, the Commission is able to regularly re-examine the assumptions in light of the most recent claims experience and make adjustments accordingly.

Mitigating Risk

Under current arrangements, the State Government, through the Nominal Defendant, is potentially exposed to the CTP claims liabilities of a CTP insurer if it fails. In the case of HIH, the exposure realised was in excess of \$400 million. While the new regulatory system of the Australian Prudential Regulation Authority (APRA) should mean insurance company failure is less likely in the future, there is no guarantee. For this reason, the Commission has prudently been investigating an alternative structural framework to limit the State's exposure to such failure.

In December 2002, the Commission released the second of its Discussion Papers on *'Mitigating State Government Risk in CTP Insurance'*. It followed a February 2002 Paper which canvassed a range of risk mitigation options. The Phase Two paper presented the Commission's analysis of four short-listed options, ranked in terms of their risk-mitigation effectiveness and ease of implementation. In these terms, a single line of business structure for Queensland CTP was ranked as the preferred option. Since then, the Commission has received a second round of stakeholder submissions and undertaken further analysis of the single line option, and possible variations. A recommendations report to Government is expected later this year.

An alternative to structural change may be to rely on APRA and a national policyholder support scheme encompassing statutory classes. Such a scheme was recommended in the recently-released HIH Royal Commission report. However, a national policyholder support scheme would need the endorsement of the Federal Government.

Commissioner's Report continued



Nominal Defendant

The Nominal Defendant is liable for settlement of personal injury claims resulting from motor vehicle accidents involving uninsured or unidentified vehicles. It receives its funding for this function from a levy paid by motorists with their CTP premium. The core Nominal Defendant levy for 2002 -2003 was \$12.80 for a class 1 vehicle and has remained at this level for the period from 1 July 2003. To this is added a \$5 HIH levy (although the cost of HIH-related CTP claims payments is largely being met from general government revenue).

Like private insurers, the Nominal Defendant has in place a reinsurance program against major and catastrophic loss which transfers a percentage of the risk to reinsurers when an event results in an extraordinarily large claims settlement. For the period 1 July 2002 to 30 June 2003, reinsurance provides the Nominal Defendant with unlimited cover for any losses from one incident in excess of \$5 million. The terms of the reinsurance contract are favourable for the Nominal Defendant in light of today's difficult reinsurance market.

Liaison with Scheme Providers

A stronger emphasis is now being placed on liaison with legal, medical and insurance professionals regarding claims management processes, court decisions, settlement rates and data integrity. By so doing the Commission aims to more accurately identify issues impacting on scheme efficiency, promote better claim management techniques, and ultimately improve the level of scheme premium received by injured parties.

During the reporting period, the Commission completed its survey of plaintiff lawyers regarding the conduct and settlement of claims subsequent to the October 2000 amendments. The Commission wrote to 25 law firms (representing approximately half the lawyers performing CTP work in Queensland) and conducted follow-up interviews. As a result of this process, a number of claims management issues were identified and insurers were provided with constructive feedback regarding the issues raised.

On another front, the Commission, as part of its legislated function to monitor the management of claims, required the scheme's CTP insurers to present on their claims management processes, particularly in light of recent legislative amendments. Additionally, insurers have been asked to provide the Commission with updated business plans on at least an annual basis which identify their strategies to contain and manage claims costs.

Scheme Monitoring

Data is critical to scheme monitoring. Licensed insurers are required to provide the Commission with an extensive range of data on all claims under their management. This data is submitted to the Personal Injury Register and used to track, measure and monitor changes in claims costs and claimant behaviour. It is subject to Commission audits and the operation of the scheme is continually scrutinised through management reports produced from the data. A summary of statistical data can be found on pages 21 to 26 of this report.

The data audit program involves physical file audits and electronic auditing techniques. Over the past twelve months, areas specifically targeted have included those data fields relevant to the determination of the effectiveness of the October 2000 amendments, and open claims from earlier years with a view to encouraging finalisation. Overall data quality is improving and has reached a satisfactory standard.

In addition to its regular data audits, the Commission has commenced quality audits of insurer files with a focus on claims management issues and insurer compliance with the relevant sections of the Act. The ultimate aim of these audits is to identify improvements which might lead to earlier and more efficient claims settlement.

An injury coding audit also took place during the reporting period subsequent to the provision of injury coding training for insurance company staff. The audit found coding had improved since a previous 2000-01 audit. Where deficiencies were identified, these were discussed with the relevant insurer. It is the Commission's intention to undertake injury coding audits on an annual basis.

Systems redevelopment

Given the importance of the Personal Injury Register, the Commission has initiated its redevelopment with a view to increase reporting functionality, enable processes to be consolidated and streamlined, reduce system support and maintenance costs and reduce business risks. Plans are also underway to redevelop the Claims Management System – a computer database utilised by the Nominal Defendant to manage personal injury claims – to bring it in line with, and to make use of, current technologies.

Licensing

The scheme continues to be underwritten by six licensed private insurers. The market shares of all insurers are shown in the statistical information under Market Share – Licensed Insurers. During the reporting period the ownership of AAMI changed and it now forms part of the Promina Group. This has had no effect on AAMI's trading name or its Queensland CTP licence.

GST and dual premium

Over the past 12 months, the Commission has collaborated with the scheme's licensed insurers and Queensland Transport to design and implement a simple and effective system to cater for the expiry of the GST transitional provisions on 30 June 2003. Under Commonwealth legislation, from 1 July 2003 insurers were no longer able to claim a Decreasing Adjustment on eligible claim payments where the insured has claimed an Input Tax Credit (ITC) for the premium paid.

To facilitate the change Queensland has adopted a dual premium approach with premiums being charged depending on the GST status of the motor vehicle owner purchasing CTP insurance. Motor vehicle owners who are not GST registered are charged the applicable private premium while vehicle owners who are GST registered entities are charged an "ITC" premium. The *Motor Accident Insurance Act 1994* has been amended to accommodate these requirements.

Conditional Registration

Conditional registration is a new registration scheme for special vehicles that do not comply with the standard regulations for registration but require access to roads to fulfil operational tasks. To facilitate its introduction and allow conditionally registered vehicles to be covered by CTP insurance, the *Motor Accident Insurance Act 1994* was amended earlier this year.

Conditional registration is applicable to some agricultural, construction and recreational vehicles including tractors, graders, harvesters and golf buggies. Whilst most owners of these vehicles hold public liability insurance they were unaware of the potential gaps in insurance cover that could have left owners liable for damages arising from a personal injury accident.

Commissioner's Report continued

A new sharing agreement for insurers

The *Motor Accident Insurance Act 1994* provides for arrangements to be made between insurers to manage shared claims with the *Motor Accident Insurance Regulation 1994* (Section 9 of Schedule 2) establishing a framework for the exchange of information about the claim and the settlement of outstanding contributions by the contributing insurers.

While licensed CTP insurers have been operating within the framework of the legislation, their administrative arrangements have been inconsistent with the requirements of the Industry Deed. Consequently, following extensive consultation with the insurers, the Commission has amended the Regulation to better reflect the administrative arrangements currently being used. The changes to the sharing arrangements have added efficiency to the system without creating any negative transitional impacts for claimants.

HIH Royal Commission Report

The Royal Commission report on the reasons for, and the circumstances surrounding, the failure of the HIH insurance group was released on 16 April 2003. The report includes 61 recommendations, of which six relate to State and Territory regulation of insurance.

The recommendation with greatest potential to impact on Queensland's CTP scheme is the proposal to introduce a policyholder support scheme which would bear the cost of failure of a private insurer. The recommendation calls for the scheme to be funded by a levy on the general insurance industry, with the levy to be passed on to policyholders. The scheme would extend to statutory classes underwritten by private insurers and would offer 100% coverage. The Commonwealth Government is currently examining the issues surrounding such a concept which, if fully adopted, might obviate the need for a State Nominal Defendant insolvency role.

The other recommendation of special interest to the Commission is that APRA should be the sole prudential regulator. While the Commission is supportive of this view, it is nevertheless incumbent on the Commission to continue a level of information gathering on its licensed CTP insurers until, and if, the financial risk of insolvency is no longer borne by the State Government.

Other Matters relating to HIH

Since HIH collapsed, Allianz Australia Limited have been managing FAI's outstanding CTP claims on behalf of the Nominal Defendant on an operational cost recovery basis utilising Allianz staff under Nominal Defendant control. This arrangement expires on 30 June 2004.

Over the reporting period, Allianz staffing levels for the management of FAI tail claims have dropped from 27 to 14 equivalent full-time positions and are expected to drop further over the next 12 months. Claim numbers are down from 3,780 as at 30 June 2002 to 2,718 as at 30 June 2003.

As at 1 July 2004, the numbers of remaining FAI claims are expected to be less than 1000 claims. At this time it is intended that the tail claims will be brought in-house and managed alongside traditional Nominal Defendant claims. Office space and human resource issues will be addressed over the coming months.

The Nominal Defendant's ultimate liability for FAI claims will depend on the insolvency dividend eventually received from the liquidator. In my role as the Nominal Defendant, I am a member of the Committees of Inspection established by the liquidator, KPMG. The Committee represents the main body of creditors. It advises on, gives consent to, and ratifies action necessary for the winding up of affairs of the HIH group of companies.

It is anticipated that the payment of interim dividends will commence in the second quarter of 2004, once Schemes of Arrangement to distribute the assets of each of the companies in liquidation are finalised. It may be a further 10 years before the final dividend is distributed.

Research Initiatives

The Commission has a statutory obligation to promote measures directed at eliminating or reducing the causes of motor vehicle accidents and mitigating their results. Funding for initiatives comes mainly from the annual investment income of the Motor Accident Insurance Fund supplemented by a small surplus from the statutory levy and revenue earned from compliance fines. In 2002-03 funding grants totalled \$4,143,523. Grant details can be found on page 73 of this report.

As a large proportion of the capital available in the Motor Accident Insurance Fund was used to help meet the outstanding FAI CTP claims liabilities via the Nominal Defendant, the interest earned on the Fund has been significantly reduced, especially so in today's low investment return environment. Consequently, the Commission's funding activities are now limited to meeting existing commitments and those new initiatives considered of greatest priority, particularly in a whole-of-government context.

The only new initiative to receive approval during the reporting period was the "Rural and Remote" study being undertaken by CARRS-Q (Centre for Accident Research and Road Safety - Queensland). This study has been funded across nine government departments and aims to understand the behavioural and social factors contributing to serious traffic incidents in rural and remote locations in Queensland. The research should lead to the development of targeted counter measures to reduce accident frequency and injury severity.

Outlook

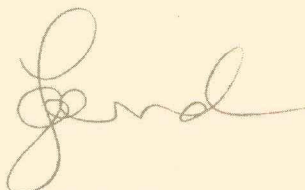
The government has introduced significant tort reform in Queensland. In this regard, the Commission will continue to closely monitor claim trends and the impact of recent tort reforms in the context of the affordability index. The Commission's focus on stakeholder relationships will also need to be sustained given the difficult environment of balancing the varying perspectives of the premium-paying motorist, the insurers underwriting the scheme, and the injured claimant.

Within the next six months the Commission's investigation of options to mitigate the State Government's financial risk to CTP insurance should be completed with a Recommendations Report to the State Government. Hopefully the Federal Government will shortly make known its position on the HIH Royal Commission's recommendation for a policyholder protection scheme, as this could have significant implications for the conclusions made in our Report. In the meantime, the Commission will continue to closely monitor the performance of its licensed insurers.

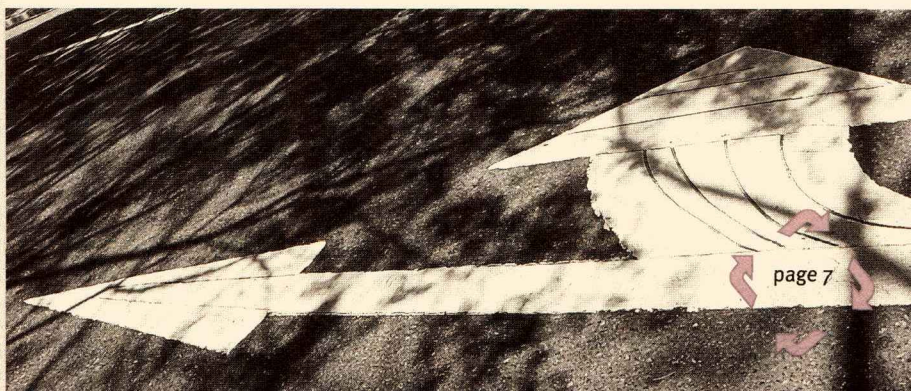
As an adjunct to the mitigating risk process, the Commission will also continue to review and develop contingency plans for handling CTP renewals in the event an insurer voluntarily exits the scheme or becomes insolvent. In the case of the failure of FAI, the Commission did not need to activate any process for renewals as Allianz had already taken over all in-force policies of FAI as at 1 January 2001, and the associated renewal processes. As there is no guarantee policies will always be transferred when an insurer exits, the Commission needs to have a range of strategies in place to ensure continuity of cover for motorists.

The coming months will also see the Nominal Defendant commence arrangements to bring the FAI tail in-house. Matters to be resolved include the timing for the transfer of claims, accommodation and staffing arrangements with options including the secondment of Allianz staff and/or a staged transfer of claims over a specified transitional period. A paramount consideration in determining the best arrangements will be minimising interruption to the ongoing management of the claim from the perspective of the injured person.

The past year has been a challenging one for the CTP scheme and for personal injury insurance in general. The demands placed on staff during this time have been considerable and the outlook for the coming year suggests these demands will continue. I would therefore like to take this opportunity to acknowledge the contribution, commitment and teamwork of all members of the Commission and Nominal Defendant and put on record my personal appreciation of their dedication and efforts.



Lesley Anderson
Insurance Commissioner



Corporate Profile

The Motor Accident Insurance Commission is responsible for the ongoing management of the CTP motor accident personal injury insurance scheme in Queensland. Established under the Motor Accident Insurance Act 1994, the Commission commenced operations on 1 September 1994 as a statutory body reporting to the State Treasurer. The chief executive of the Commission is the Insurance Commissioner who also has the role of Nominal Defendant.

Scheme Description

Since 1936, Queensland has operated a common law fault based compulsory third party (CTP) motor vehicle insurance scheme. The scheme provides motor vehicle owners with a policy of insurance which covers their unlimited liability for personal injury caused by, through or in connection with the use of the insured motor vehicle anywhere in Australia.

For those injured in motor vehicle accidents, the scheme provides access to the common law where the injured party can establish negligence against an owner or driver. It should be noted that, because the scheme is a fault based scheme, circumstances can arise where, for example, a driver who is solely at fault in an accident cannot obtain compensation because there is no negligent party against whom he or she can bring an action.

Six licensed private insurers currently underwrite the Queensland CTP scheme. The licensed insurers accept applications for insurance and manage claims on behalf of their policyholders.

A competitive premium model allows insurers to determine their premiums within floor and ceiling premiums set by the Commission. An efficient system of premium collection through the motor registry of Queensland Transport minimises administration costs within the scheme and provides motorists with a relatively convenient form of transaction.

The office of the Nominal Defendant acts as insurer where damages are claimed for personal injury arising from the liability of uninsured motor vehicles and unidentified motor vehicles. The Nominal Defendant, in the event of insolvency of an underwriting CTP insurer, has a legislated role to meet the cost of claims against that insurer.

CTP premiums in Queensland remain relative to other States with the Queensland scheme one of only three schemes continuing to offer essentially unlimited common law entitlement.

Although the structures of the schemes differ, all CTP authorities in Australia participate in regular forums to address common issues for all the State schemes.

Key Functions

The primary activities of the Commission include:

- Keeping the statutory insurance scheme generally under review and making recommendations for its amendment;
- Ensuring premium affordability by reporting to Government on the cost trends of the scheme and developing changes to the scheme if and when the affordability index is likely to be exceeded;
- Establishing and developing target rates of efficiency of the scheme which measure the cost of delivery of benefits to injured persons and the proportion of the premium dollar that reaches injured persons;
- Maintaining insurance standards and scheme credibility through licensing of insurers and monitoring insurer claims management compliance;
- Licensing Queensland compulsory third party motor vehicle insurers and monitoring the financial strength of insurers in relation to their CTP operations. Insurers' overall financial strength is the responsibility of the industry regulator, APRA;
- Fixing premium ranges and recommending scheme levies to Government;
- Providing an information service to policyholders and potential claimants on the operation of the scheme;
- Assessing and funding a diverse range of education, research and rehabilitation strategies to minimise and mitigate the effects of motor vehicle accidents;
- Developing and maintaining a claims register and statistical database for the purpose of providing scheme management information; and
- Administering the Nominal Defendant Scheme and Fund.

The Commission is assisted in key strategic functions by reference to an Advisory Committee established under Section 11 of the Act. More details on the role of the Advisory Committee are given in Appendix 6.

Funding

The Motor Accident Insurance Commission is funded by a statutory levy within the CTP premium. From 1 July 2002 the levy was set at \$1.35 per vehicle. For the year 2002-2003 the levy produced income of \$3.695M. The Commission also has available the interest earned on investment of the Motor Accident Insurance Fund and revenue from compliance fines. These amounts, combined with any surplus from the statutory levy, fund the Commission's research initiatives.

The Nominal Defendant operation is funded by a levy within the CTP premium which varies by vehicle class. The levy is set on the basis of an actuarial assessment of claim trends. From 1 July 2002, for Class 1 vehicles the levy was set at \$12.80. For the reporting period, the earned income from the core levy totalled \$31.051M.

Upon the insolvency of FAI General Insurance Company Ltd on 15 March 2001 the Nominal Defendant assumed responsibility for claims against FAI policies that had expired as at 31 December 2000. To assist with the funding of these CTP liabilities, the Nominal Defendant levy increased by a maximum of \$5.00 from 1 October 2001. Earned income from the additional levy raised was \$12.084M over the reporting period. The Queensland Government also provides substantial additional funding to supplement the shortfall.

Corporate Governance

The operations of the Motor Accident Insurance Commission are governed by the Motor Accident Insurance Act 1994. Under this legislation the Insurance Commissioner, in the Commissioner's official capacity, constitutes the Commission. The Insurance Commissioner is also the Nominal Defendant and is appointed under the Public Service Act 1996 with responsibility for the administration of the Act, the Motor Accident Insurance Fund and the Nominal Defendant Fund.

The Insurance Commissioner reports to the State Parliament through the Treasurer and provides regular status reports on operations, as well as an annual report required by the *Financial Administration and Audit Act 1977* and under section 19 of the *Motor Accident Insurance Act 1994*.

The Commission operates within a framework of policies and procedures established by the Queensland Government, including the requirements of the *Financial Administration and Audit Act 1977*.

Freedom of Information

During the reporting period, no applications were received by the Nominal Defendant for the release of information under the provisions of the *Freedom of Information Act 1992*. The Commission received one application for the release of information. This application was refused under exemption provisions of the *Freedom of Information Act 1992*.

Internal Audit

The Management Audit Services Branch of Queensland Treasury provides internal audit services to the Motor Accident Insurance Commission. When working with the Commission and the Nominal Defendant, the internal audit's aim is to assess financial and administrative control systems and to seek to improve the organisation's management of, and accountability for, the use of resources. It also aims to address, at a strategic level, key risk areas and corporate governance issues.

The results of all internal audits are reported to the Under Treasurer and include opinions regarding the adequacy and effectiveness of financial, operational, administrative and computer controls. Additionally, recommendations may be made for strengthening and enhancing controls if any weaknesses or breakdowns are evident.

The most recent audits undertaken for the Commission were reviews of the processes and procedures utilised in the management of the Nominal Defendant claims and FAI run-off claims, and the preparation of the End of Year Financial Statements.

Staff Matters

Organisational performance is dependent on how well the talents and skills of staff are utilised and enhanced.

The Motor Accident Insurance Commission recognises the asset it has in its people and is committed to ensuring an effective working environment that is safe, equitable, free from discrimination and conducive to the achievement of high quality outcomes.

The combined staffing level of the Commission and the Nominal Defendant has remained constant over the reporting period, averaging 30 full-time employees. A number of permanent appointments were made during 2002-03:

- Kellie Phie - appointed Finance Officer in April 2003.
- Mark Cowling - appointed Client Service Officer in May 2003.
- Lisa Hopson - appointed Research and Compliance Officer (part-time) in June 2003.

These appointments consolidate the resource capabilities within the Commission, and specifically within the units of Systems and Finance, Injury Management and Claims, and Research and Compliance respectively. The appointments reflect the increasing responsibilities assigned to each unit - with the Systems and Finance unit now required to provide support to the QGIF as well as the Commission and Nominal Defendant; the Injury Management and Claims Unit more closely monitoring claims processes and insurer compliance; and the Research and Compliance Unit intensifying its data audit and analysis activities.

Temporary staffing arrangements in the reporting period include:

- Ursula Hauser as Acting Senior Analyst, Premium and Licensing; and
- Natalie Pershouse, as Temporary Project Officer.

The Senior Analyst serves an integral part of the Commission's regulatory functions whilst the Temporary Project Officer has been allocated specific projects intended to improve office efficiencies.

Collectively, members of the Commission and Nominal Defendant staff possess a wide range of skills, knowledge and experience. Professional skills are continually being developed through the regular assessment of staff performance, the promotion of formal training programs, participation in educational activities, and a positive focus on career development. Development initiatives include the Individual Performance System (IPS), the Professional Excellence Program and the Treasury Leadership Program.

A strong emphasis is also placed on internal communication and team arrangements as the day-to-day knowledge sharing between staff and across units is critical to the ongoing success of the Commission's operations. In addition, the linkages with, and support from Queensland Treasury personnel continues to be maintained and strengthened, to the benefit of the Commission and its operations.

Staff also benefit from being part of Treasury at the broader level. One recent example of this has been the negotiation of an enterprise agreement as part of the core Treasury group.

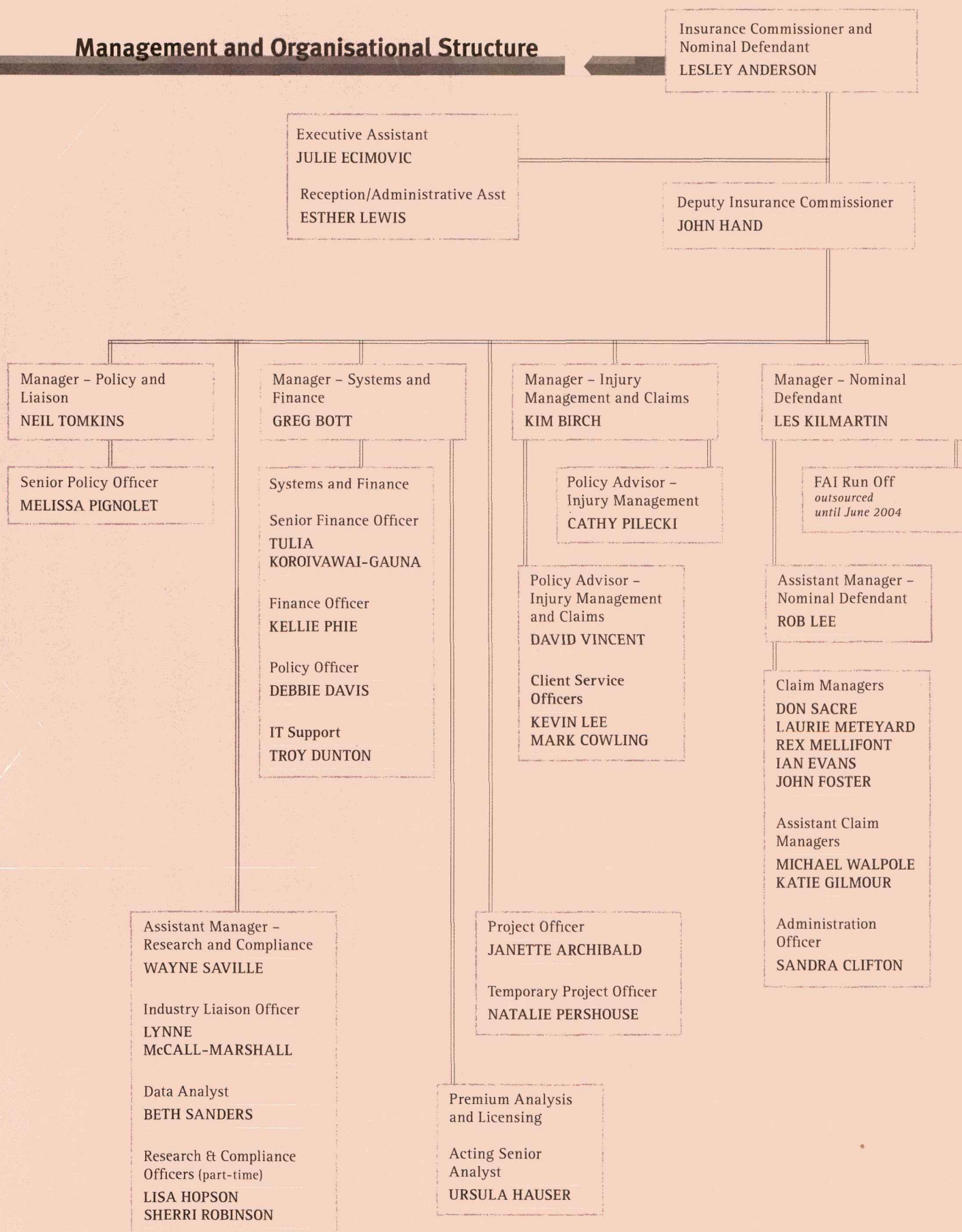
Physical proximity should further strengthen Treasury linkages when the Commission, along with other Treasury portfolio offices, relocates to new Government offices under construction in Charlotte Street in April 2004. Members of staff have been consulted throughout the planning phase and strategies currently being developed for the relocation process should ensure a smooth transition without any serious interruption to operations.

In accordance with the legislation, this report only covers operations relating to the regulation of the CTP scheme, although the Office has a broader role in advising the Government on insurance matters. Specifically:

- From October 2000 the Office was allocated the role of overseeing the establishment and operation of the Queensland Government Insurance Fund (QGIF) on behalf of Queensland Treasury; and
- The Office has had significant input into the Queensland Government's response to the increasing cost and availability of liability insurance, assisting with the development of both short and long terms solutions, such as the group insurance scheme for not-for-profit organisations and tort reform.

Formal and financial reporting in relation to QGIF and liability insurance matters is included in the Queensland Treasury annual report. From a staffing perspective, the Office would like to acknowledge the appointments of Alan Clark and Jane Littlejohn to join the QGIF team of Mike Reynolds, Max Leo and Maurie Foley, and recognise the considerable contributions made by John Hand and Melissa Pignolet to the Government's liability insurance reforms.

Management and Organisational Structure

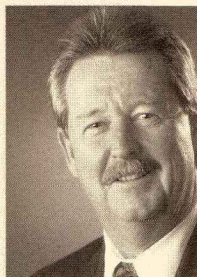




Insurance Commissioner

Lesley Anderson

B.Comm(Hon) M.Ec(Hon)- Appointed as Insurance Commissioner in November 1996. Previous experience with Reserve Bank of Australia in Sydney and five years in Queensland Treasury providing broad level policy advice relating to financial institutions, superannuation, workers' compensation and compulsory third party.



Deputy Insurance Commissioner

John Hand

AAII CIP- Appointed to the Commission in 1993. Responsibilities include the development of new legislation and supporting systems. Insurance career spanning over 30 years, predominantly in personal injury, encompassing high-level policy advice to government and management at senior levels.



Manager Injury Management and Claims

Kim Birch

BHSc. RN – Appointed as Manager, Injury Management and Claims in 2001. Nursing background covering all areas of clinical care and management and a further six years experience with the insurance industry working with compulsory third party claims.



Manager Systems and Finance

Greg Bott

B.Bus.(Accy) Grad Dip.App.Fin & Inv.CPA ASIA- Appointed as Principal Policy Adviser in 1993. Accountancy background covering the chartered profession, commerce and industry and the public sector including over twelve years experience in accident compensation insurance.



Manager Nominal Defendant

Les Kilmartin

Appointed as Manager, Nominal Defendant in 1995, having had 14 years experience as a claims manager and 15 years previous experience in various facets of general insurance.



Manager Policy and Liaison

Neil Tomkins

B.Bus.(Comm) – Appointed as Manager, Policy and Liaison in 1998. More than 30 years insurance experience in life and general insurance.

Strategic Plan 2003 – 2008

Vision

Our vision is to lead the way in the provision of effective and efficient personal injury insurance schemes.

Mission

Our mission is to provide the most viable and equitable personal injury compensation scheme, including a Nominal Defendant scheme. In pursuit of our mission we will provide and regulate, for Queensland, a CTP scheme encompassing accident prevention and injury management

Values

We are committed to these fundamental principles:

- Achieving success through leadership, service and teamwork;
- Effective communication with all stakeholders;
- Striving for leading edge technical competence ; and
- Behaving with integrity and independence.

Key issues facing the Office

- Premium affordability and overall stability of the scheme given developing trends in claims costs.
- Increasing efficiency to ensure the highest possible return of premium dollars reach claimants. Areas of focus include policy and claims analysis, monitoring performance output measures and the development of appropriate computer software for claims and data management.
- Maintenance of insurance standards through regular and detailed contact with the Australian Prudential Regulation Authority (APRA) as prudential regulator with responsibility for the overall financial strength of insurers under the *Insurance Act 1973* and the *General Insurance Reform Act 2001*.
- Monitoring the financial strength of the CTP operations of CTP insurers including reviewing and recommending the most appropriate structure for the scheme in terms of mitigating State Government risk in CTP insurance.
- Monitoring the management of claims by insurers.
- Monitoring the operation of the scheme and the development of contingency planning for potential undesirable scheme outcomes.
- Maintaining a viable Nominal Defendant Fund; the equitable management of all Nominal Defendant claims; and supervising the settlement of the FAI tail claims.

Strategic business priorities

- Enhanced scheme affordability and stability by informed analysis of claims trends; closer monitoring of insurer claims management practices and the legal profession's conduct.
- Finalisation of mitigating risk process; longer term planning for CTP scheme design; and further development of contingency planning for exiting insurers.
- Improved work practices through more regular strategic management forums; enhanced risk management (internal controls); and the review and development of services, systems and processes.
- Establishment of an enhanced grant management framework and policy development in relation to levy and grant funding versus whole-of-government funding.
- Planning for management of FAI tail claims in-house from June 2004.

Capability Priorities

People Management Strategy

- Allocate resources equitably and to prepare for future impacts including the need to build staff capabilities to meet business requirements over the next ten years.
- Create a shared vision of the future and direction within the Office and further develop the performance based culture and enhance staff skills and career development by utilising the Individual Performance System (IPS) and Manager Once Removed (MOR) process.
- Enhance management of diversity and ensure the workplace is free of discrimination and harassment.
- Promote effective communication and sharing of information; build on strong personal links to develop team unity across the Office; enhance management and leadership skills, foster senior management linkages and develop management team role clarity.

Leading edge management practices

- Fostering a proactive and collegiate approach to management.
- Utilization of benchmarking to enhance CTP scheme performance.

Business support priorities

- Encourage review processes to ensure continual improvement.
- Ensure that all MAIC staff take responsibility for complying with recordkeeping standards while managing timely, accurate and complete information to enable smarter decision making.
- Maintain and enhance sound corporate governance standards and practices.

Improving information and communication systems and practices

- Develop and maintain strategic relationships with relevant areas of Treasury Office.
- Develop a structure that will be flexible enough to cater for changing needs in the future.
- Enhance and update information management systems.

Stakeholder Priorities

- Achieving a balance between premium paying motorists, injured persons and premium levels which reflect licensed insurers' risk.

Infrastructure Priorities

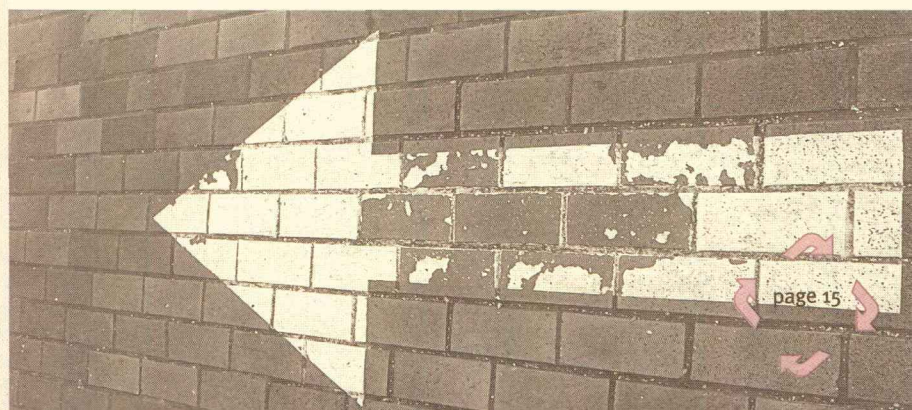
- Redevelopment of the computerised Personal Injury Register and Statistical Database; and redesign of the Nominal Defendant Claims Management System.
- Office relocation to 33 Charlotte Street Brisbane.

Output Statement – Motor Accident Insurance Administration

The Motor Accident Insurance Commission is responsible for the Motor Accident Insurance Administration Output. It provides a viable and equitable personal injury compensation scheme through the regulation of the Queensland CTP scheme encompassing injury prevention and control, and manages the Nominal Defendant Scheme.

Activities include:

- Keeping the statutory insurance scheme generally under review and making recommendations for its amendment.
- Licensing, supervising and monitoring the financial strength of CTP insurers in relation to their CTP operations.
- The analysis of trends for the purpose of setting premium bands and recommending levies to Government.
- Promoting research and education and monitoring the provision of rehabilitation services.
- Operating a Helpline and maintaining a claims register and statistical database.
- Management of claims lodged against the Nominal Defendant Fund arising from uninsured and unidentified vehicles, insolvent insurers, and gratuitous insurance policies.
- Administering the Nominal Defendant Fund including valuation of liabilities, determination of the levy, and investment of the Fund.



Strategic Plan 2003 – 2008



Review of Performance

Recent Achievements – CTP Scheme

- Release of the Phase 2 Mitigating Risk Discussion Paper to stakeholders outlining options for the future operation of the CTP scheme.
- Monitoring claims trends through increased scheme analysis in a climate of escalating claims costs.
- Improved liaison with insurers and lawyers on claim management issues and a higher degree of analysis of issues arising.
- Input into the HIH Royal Commission including a submission to the Royal Commission on Future Policy Directions and provision of a witness statement on HIH/FAI matters.
- Representation of the Queensland Government's position on the Committee of Inspection for the HIH/FAI liquidation.
- Transfer of systems hardware and software for the Personal Injury Register and Claims Management System from PricewaterhouseCoopers to Treasury without disruption to internal or external users.
- Passage of amendments to the *Motor Accident Insurance Act 1994* in the Treasury Legislation Amendment Bill (No.2) 2002 to provide for the expiry of the GST transitional provisions in relation to CTP and to more closely align provisions of the *Motor Accident Insurance Act 1994* and the *Personal Injuries Proceedings Act 2002*.
- Development of the Motor Accident Insurance Amendment Regulation (No.2) 2002 to provide for the introduction of conditional registration in 2003 and a new sharing arrangement between insurers.

Recent Achievements – Nominal Defendant

- Annual review of outstanding claim liabilities in relation to unidentified and uninsured vehicles conducted in conjunction with consulting actuaries.
- Nominal Defendant annual levy reviewed and set at \$12.80 for class 1 vehicles (sedans and station wagons) from 1 July 2003.
- During the year 456 post 1994 claims and 20 pre 1994 claims were finalised. 1055 post 1994 claims and 22 pre 1994 claims remain active.
- Legislative timeframes relating to Nominal Defendant claims management were met and complete and accurate data was supplied to the MAIC database within the required timeframes.
- Claims monitoring resulted in the notification of 7 suspected fraudulent claims to the Commission with the outcomes likely to be known in the coming year.
- Recovery action was concluded on 69 files during the year. Claims recoveries (from debtors) amounted to \$335,100 for the year. Recovery action is continuing on a further 213 files.
- Ongoing advice provided to the Commission on technical aspects of the legislation as it relates to the Nominal Defendant function.
- Negotiation of a reinsurance contract on favourable terms for the Nominal Defendant in a difficult reinsurance market.
- Claim Management System (CMS) developments included further enhancements to assist with reinsurers reporting requirements, assessment of system functionality and development of a plan to re-write the process using modern technology.

Recent Achievements – FAI Run-off

- The commencement of recovery action, where applicable, on FAI tail claims.
- Monitored the performance of Allianz Services Australia Pty Ltd, the outsourced manager of the FAI Run-off claims for three years from 1 July 2001. Claim payment and recoveries audits were undertaken by Treasury's Management Audit Services on two separate occasions during the year ended 30 June 2003. In addition, a review of the outsourced manager's claim processes and procedures was undertaken in December 2002 by a senior Nominal Defendant claim manager.
- The State Government advanced \$25.405 million to the Nominal Defendant to meet the liabilities of FAI during the year. As well, an amount of \$50 million of funds was released from the Nominal Defendant Fund section 31 operation to meet the liabilities of the FAI Run-off claims.
- The provision of claim data to the Liquidator for the period 15 March 2001 to 30 June 2003 as an initial step in the process of proving the debt to the Liquidator. Nominal Defendant representation in a Supreme Court application by the Liquidators of HIH for directions in regard to the reinsurance "cut-through" provisions of the *Motor Accident Insurance Act 1994*.
- Continuing discussions with the ATO in relation to the issue of GST and sharing payments for insurers and the effect of decreasing adjustments.

Recent Achievements – Grants

- Development and implementation of an access database for monitoring compliance of grant recipients with their accountability requirements.
- Consultation with injury management providers and advisers within the scheme so that the grants funding program is aligned to the scheme's overall rehabilitation research and education needs.
- Consultation with university administrators to develop a fuller understanding of University processes for grants administration, management and evaluation of outcomes.
- Development of a reporting framework for Queensland Health regarding the acquittal requirements of the Queensland Paediatric Rehabilitation Service whilst this program receives step-down funding from the Commission.
- Performance review and subsequent 5 year extension of the term of the grant to the School of Health and Rehabilitation Sciences; and restructuring of funding arrangements for the Fellowship in Clinical Biomechanics at QUT and the Fellowship with the Royal Australian College of General Practitioners.
- Monitor the performance of the Queensland Trauma Plan as well as participate on the Steering Committee along with representatives from Q Health, Transport, Police, Q-Comp and Emergency Services.
- Development by Injury Prevention and Control Australia of their research program across five priority injury areas: young adults' risk-taking behaviour, workplace injury, injury in indigenous persons, falls in older persons and childhood injuries. The Insurance Commissioner is one of the Directors of IPCA Ltd.
- The Centre of National Research on Disability and Rehabilitation Medicine (CONROD) continued to build and consolidate a range of research agendas with its 5 programs now fully operational. Five research applications were successful in obtaining funds through the CONROD Collaborative Research Grants Competition for 2002 and 2003 with funding totalling \$500,000.
- Establishment of the "Accessible Tertiary Education" program offering a range of subjects to complete a certificate of Social Science to people with a disability, as an outcome of the Commission's grant to James Cook University.
- Liaison with 8 other government Departments and the Centre for Accident Research and Road Safety – Queensland (CARRS-Q) to put in place the funding arrangements and performance indicators for CARRS-Q's Rural and Remote Road Safety Program of Research which commenced in October 2002.

Feature Article

Making a CTP Claim – Is there a place for unrepresented claimants?

On average, around 10,000 CTP claims are made each year in Queensland for injuries caused by at-fault motor vehicles. Current figures indicate around 90% of claimants will have legal representation by the time their claim is finalised. While a number of these claimants may actually initiate the claims process without representation, some of this group tend to seek legal representation as the claim progresses.

Some schemes around Australia have a lower percentage of represented claimants. For example, it is understood that around 60% of claimants in the NSW scheme are represented, whilst in South Australia around 50% of claimants are represented. However, significant and influential differences exist between the States in terms of scheme design and/or the legislative provisions applicable to damages awards. These have an impact on a claimant's willingness to make a direct claim to the insurer without legal representation; a decision also influenced by historical context and environment within the respective States.

The impact of scheme design

Historically, the design of Queensland's CTP scheme fostered an adversarial approach to claim management which generally led to claimants having legal representation. Since its inception in 1936, the scheme has been a fault-based one and the scope of the insurance coverage (that is, compensation payable) reflects entitlements under common law.

As a fault-based scheme, compensation is payable to an injured person as lump sum damages, if it can be proved that the injury occurred as the result of negligence on the part of the owner or driver of a motor vehicle. Therefore, when making a claim against the CTP insurer of the vehicle, a claimant must first establish there was negligence on the part of the insured. If the insurer accepts liability, the claimant and the insurer must then negotiate the amount of compensation payable. Claimants must prove their eligibility to receive benefits by proving their injuries are the result of the motor vehicle accident. In this regard, a claimant may be requested to undergo further assessments by the insurer to determine the degree of loss arising from the injury and likely long-term outcomes.

Benefits (heads of damage) which the scheme provides include medical costs, rehabilitation costs, past and future care costs, economic loss (past and future) and pain and suffering (commonly referred to as general damages). Quantifying the benefits a claimant is entitled to under some of these categories can be somewhat complex, contentious and subjective, and unfamiliar territory for the general public.

If the insurer disputes liability, or the claimant and insurer cannot reach agreement on the amount of compensation payable, the matter may ultimately be determined by the Court.

Underpinning this process is the relevant legislation, the *Motor Accident Insurance Act 1994*, which specifies timeframes for lodgement of a claim and other aspects of the claims process; the claim forms which must be used; and the rights and responsibilities of insurers and claimants.

The decision about legal representation

Given the complexities and potential hurdles to reaching a claims settlement, it is not difficult to see why, from the claimant's perspective, engaging in the CTP claims process might quickly become a daunting and intimidating experience – especially as the experience will be a first for the majority of claimants.

With no past experience to draw upon and limited, if any, knowledge of how to proceed or where to obtain information, there are a number of stages throughout the life of a claim where claimants may feel their only recourse is to seek legal advice eg. if liability is denied, or when the injury or its severity is disputed, or when an offer of settlement is made. Compounding the claims process for the claimant may be the course of their recovery from injury.

In this regard, complaints made to the Motor Accident Insurance Commission indicate that the priority for some claimants is not compensation but recovery. Since 1994, legislative provisions have required insurers to make reasonable rehabilitation services available to claimants and to progressively fund such services. Differences of opinion with the insurer regarding treatment and rehabilitation needs can compel some claimants to seek legal advice.

Other reasons proffered for seeking legal representation are an uncertainty about the response of insurers to claims and the perceived need for an individual to place themselves on a more even footing with the insurer, who they tend to see as being in a more advantageous position than the individual with respect to negotiation.

Improving the claims process

The 1999 Review of the Queensland CTP scheme recommended retention of a fault-based scheme but acknowledged the complexity of the CTP claims process and made recommendations to improve the amount of information available to claimants.

As a result, significant modifications were made to the existing claims process. Key features included simplifying the initial claim form so claimants could complete it without the aid of a solicitor if they desired, and the introduction of an accompanying medical certificate to clarify, at an early stage, the details of the injury and treatment required. A CTP Helpline was established to enable claimants to obtain information on all aspects of the scheme and to assist the claimant in identifying the insurer of the vehicle deemed 'at-fault'. Other information channels have also been developed, such as the Commission's website which provides contact details for Queensland's CTP insurers, information on the claims process and access to claim forms.

In recent years, several insurers have also taken steps to make the claims process a more straightforward experience and to encourage more open communication with claimants. Initiatives include the provision of information packages and more user friendly and less legalistic correspondence. Most companies have an internal consumer appeal process and one company has developed a CTP Claimant Charter publicly committing them to manage and resolve claims quickly.

There is only limited evidence that the implementation of the recommendations of the 1999 Review and insurer initiatives have actually made the process less daunting for claimants. However, Commission data reveals that the number of claimants with legal representation at time of finalisation has decreased since the October 2000 amendments were made. In June 2000, the percentage of represented claimants stood at 93% as compared to 89.6% at June 2003.

The recent introduction of injury scale values for general damages in the *Civil Liability Act 2003* should also improve the process for claimants by allowing claimants to more readily identify the amount of general damages payable for specific injuries. Complaints made to the Commission's Helpline indicate that unrepresented claimants sometimes seek legal advice simply to ensure that an insurer's offer of settlement for this head of damage is not under-valued. It is expected that the scale will enable claimants to reasonably calculate their entitlements for general damages and give them greater confidence when evaluating an insurer's offer in respect of this head of damage.

Feature Article continued



Balancing perspectives

An individual has the right to be legally represented and the Commission has always advocated that this right should be respected by all parties. Given the design of the scheme, it is recognised that people who are injured through no fault of their own may see that the only way to ensure procedures are fair and impartial, and the compensation paid to them is fair and reasonable, is through legal representation. This might especially be so for those claimants who have sustained serious injuries and consequently a large financial loss, and who may therefore be entitled to significant benefits under several heads of damage.

On the other hand, there is a perception within the community, especially in today's difficult compensation environment, that the involvement of lawyers on each and every claim is contributing to the rising costs of personal injury insurance because the total cost of the claim (claimant benefit plus legal costs) may end up being generous relative to the severity of the injury.

Lower end claims

By far the greatest number of CTP claims are for minor or temporary injuries where entitlements to benefits are limited to medical and possibly rehabilitation costs, some past economic loss (if the claimant required time off work) and a component for general damages. Legal representation for these lower end claims is arguably having an impact on both the ultimate amount the individual claimant receives on settlement (as legal costs can take a large proportion) and on the overall affordability of the scheme as claims settlements escalate.

The 1999 Review recommended the abolition of the cost indemnity rule for lower end claims, such that the insurers are no longer required to pay the legal costs of the claimant for these claims. On current evidence, this reform has reduced the frequency of lower end claims, but it has not contained the overall cost of lower end claims.

Moving forward

While the right to legal representation is not in question, containing the costs of the lower end claims and ensuring a more equitable distribution of payments are issues the Commission is attempting to address. In a common law scheme, there will always be a natural conflict between full use of the legal system to provide the most comprehensive level of procedural fairness, and minimising scheme costs and delays in claim settlement. Nevertheless, the aim for scheme participants should be to achieve an acceptable balance between the two.

On balance, the Commission believes there is a place for unrepresented claimants in the scheme. This is especially so in light of the implementation of mechanisms aimed at enabling these claimants to obtain fair and reasonable compensation in an expeditious manner. In summary, these mechanisms include:

- the availability of accurate claims process information via the CTP Helpline, the Commission's website and insurer initiatives;
- greater predictability about general damages entitlements through the introduction of the injury scale values for general damages under the *Civil Liability Act 2003*; and
- an increasing focus, under legislation and at the community level, on recovery from injury and not merely on compensation.

It is now up to all parties to build on these mechanisms and develop a fair, reasonable and consistent approach to claimants who choose to be unrepresented in the CTP claims process. The aim is to give claimants the confidence that they do have a choice.



Statistical Information 2002-03

Statistical Information



Vehicles insured as at 30 June 2003

Insurance Class	Number of Vehicles	Percentage
01	1,899,979	72.25
02	6,243	0.24
03	2,472	0.09
04	21,737	0.83
05	8,118	0.31
06	447,467	17.02
07	49,909	1.90
08	5,530	0.21
09	3,175	0.12
10	3,523	0.13
11	4,174	0.16
12	33,120	1.26
13	51,224	1.95
14	26,081	0.99
15	10,342	0.39
16	729	0.03
17	43,777	1.66
19	3,321	0.13
20	2,964	0.11
21	1,098	0.04
22	0	0.00
23	4,173	0.16
24	546	0.02
Total	2,629,702	100.00

Premium, Levy and Fee Collection 1 July 2002 to 30 June 2003

	Dollars ('000)
Insurance Premiums	957,748
Nominal Defendant Levy	-47,581
Statutory Levy	-3,694
Hospital Levy	-14,111
Emergency Services Levy	-7,086
Transport Fee	-22,263
Insurers Premiums	863,013

Source: Queensland Transport Receipts

Market Share - Licensed Insurers

Insurer	30/6/00	30/6/01	30/6/02	30/6/03
Suncorp	56.03	54.78	54.32	54.54
QBE	5.97	5.04	4.16	3.67
AAMI	5.22	5.27	5.14	4.74
Allianz	5.12	4.72	4.64	22.89
RACQ Insurance	3.86	7.88	11.99	12.56
NRMA	0.05	0.7	1.12	1.6
FAI Allianz	23.74	21.61	18.63	

Method: The market share figures are based on annual aggregate premium collection rather than on the number of policies.

Note: FAI Allianz business transferred to Allianz on 1 July, 2002.

^Formerly MMI. Incorporates FAI Allianz from 1 July 2002.

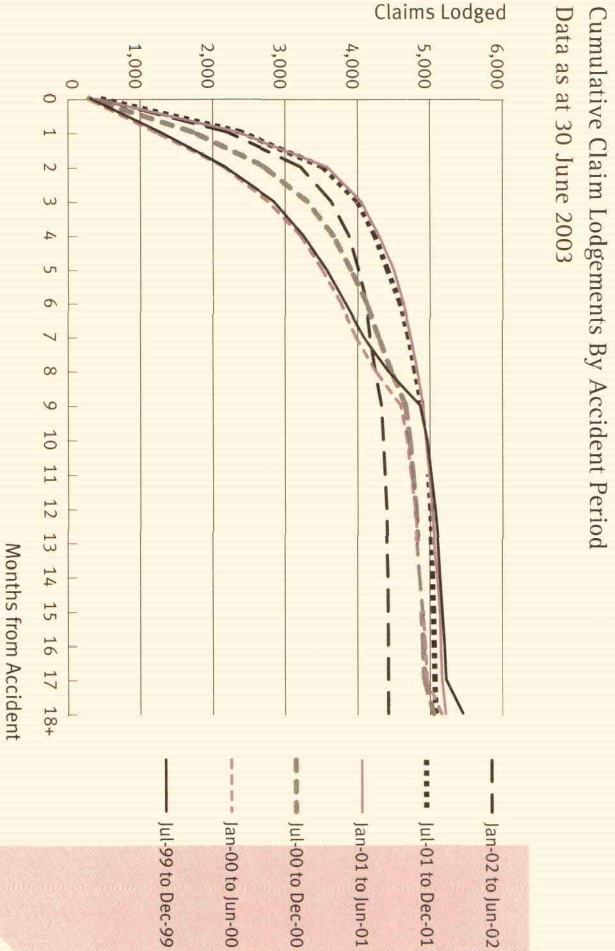
~Formerly VACC

*Only covers 10 months

Notice of Claim Lodgements
(All Insurers) Accidents 1 July 1995 to 30 June 2003

Injury Quarter	Development Quarter										Grand Total
	1	2	3	4	5	6	7	8	9	10+	
Jul 95 - Sep 95	654	483	630	253	54	43	33	13	19	72	2,254
Oct 95 - Dec 95	551	584	641	222	46	28	25	9	11	54	2,171
Jan 96 - Mar 96	696	553	579	178	39	19	14	15	10	70	2,173
Apr 96 - Jun 96	785	514	489	247	44	21	21	7	16	75	2,219
Jul 96 - Sep 96	842	531	519	152	75	23	14	14	23	97	2,290
Oct 96 - Dec 96	739	600	533	161	34	25	22	24	7	69	2,214
Jan 97 - Mar 97	760	568	514	111	45	36	15	17	26	58	2,150
Apr 97 - Jun 97	910	550	399	146	47	32	14	22	18	44	2,182
Jul 97 - Sep 97	941	533	462	148	55	19	26	28	18	67	2,297
Oct 97 - Dec 97	907	608	476	141	46	31	20	20	15	61	2,325
Jan 98 - Mar 98	947	533	406	135	40	27	27	10	16	58	2,199
Apr 98 - Jun 98	1,186	579	405	182	55	38	27	31	16	45	2,564
Jul 98 - Sep 98	1,208	625	550	160	50	25	33	27	30	51	2,759
Oct 98 - Dec 98	1,319	692	514	127	51	29	26	14	14	44	2,830
Jan 99 - Mar 99	1,378	615	469	140	52	32	34	11	16	53	2,800
Apr 99 - Jun 99	1,345	612	334	192	64	34	26	19	20	53	2,699
Jul 99 - Sep 99	1,263	530	496	184	53	40	32	26	8	42	2,674
Oct 99 - Dec 99	1,283	633	475	178	55	38	27	22	26	40	2,777
Jan 00 - Mar 00	1,188	517	449	156	61	41	24	20	22	44	2,522
Apr 00 - Jun 00	1,331	590	391	135	61	42	16	16	12	33	2,627
Jul 00 - Sep 00	1,378	535	394	127	49	46	22	20	9	17	2,597
Oct 00 - Dec 00	1,692	412	192	64	30	20	17	10	6	8	2,451
Jan 01 - Mar 01	1,917	332	170	71	56	26	11	9	5	0	2,597
Apr 01 - Jun 01	1,955	360	132	63	56	21	11	10	1		2,609
Jul 01 - Sep 01	1,962	289	161	64	26	7	5	1			2,515
Oct 01 - Dec 01	1,871	396	174	77	18	22	4				2,562
Jan 02 - Mar 02	1,777	330	127	45	21	2					2,302
Apr 02 - Jun 02	1,692	273	104	47	7						2,123
Jul 02 - Sep 02 [^]	1,680	265	96	16							2,057
Oct 02 - Dec 02 [^]	1,408	277	30								1,715
Jan 03 - Mar 03 [^]	1,341	74									1,415
Apr 03 - Jun 03 [^]	456										456

[^] Accident quarter data from July 2002 are still immature



Claim Payments on Finalised Claims (Payments 1 September 1994 to 30 June 2003) (\$,000)									
Code	A1	C1	E1	E2	G1	H1	L1	L2	
Payment Type									
Aids & Appliances									
Long term care & home care									
Economic Loss - past									
Economic Loss - future									
General Damages									
Home & vehicle modifications									
Investigation costs									
Legal costs - plaintiffs									
Accident Period: 1 September 1994 - 30 June 1995 (10 months)									
Total Dollars	1,253	26,537	29,592	61,556	99,822	1,522	3,085	26,450	
(%) Total Dollars	0.4%	9.3%	10.3%	21.5%	34.9%	0.5%	1.1%	9.2%	
Accident Year: 1 July 1995 - 30 June 1996									
Total Dollars	1,050	36,242	34,663	73,046	114,152	1,567	3,815	32,810	
(%) Total Dollars	0.3%	10.6%	10.2%	21.4%	33.4%	0.5%	1.1%	9.6%	
Accident Year: 1 July 1996 - 30 June 1997									
Total Dollars	1,377	40,064	31,496	75,314	116,451	1,064	4,309	33,477	
(%) Total Dollars	0.4%	11.6%	9.1%	21.8%	33.6%	0.3%	1.2%	9.7%	
Accident Year: 1 July 1997 - 30 June 1998									
Total Dollars	1,309	24,708	29,128	71,850	117,328	1,704	4,504	33,710	
(%) Total Dollars	0.4%	7.7%	9.0%	22.3%	36.4%	0.5%	1.4%	10.5%	
Accident Year: 1 July 1998 - 30 June 1999									
Total Dollars	1,549	28,859	29,850	80,625	129,994	881	4,811	39,401	
(%) Total Dollars	0.4%	8.1%	8.4%	22.7%	36.5%	0.2%	1.4%	11.1%	
Accident Year: 1 July 1999 - 30 June 2000									
Total Dollars	899	18,786	23,200	63,898	114,298	257	4,054	32,761	
(%) Total Dollars	0.3%	6.5%	8.0%	22.0%	39.4%	0.1%	1.4%	11.3%	
Accident Year: 1 July 2000 - 30 June 2001									
Total Dollars	227	10,674	12,907	39,336	81,925	534	3,084	12,417	
(%) Total Dollars	0.1%	6.0%	7.3%	22.1%	46.1%	0.3%	1.7%	7.0%	
Accident Year: 1 July 2001 - 30 June 2002									
Total Dollars	3	2,675	3,745	13,849	36,255	4	1,091	2,597	
(%) Total Dollars	0.0%	4.1%	5.7%	21.2%	55.6%	0.0%	1.7%	4.0%	
Accident Year: 1 July 2002 - 30 June 2003									
Total Dollars	1	190	156	583	2,101		43	57	
(%) Total Dollars	0.0%	5.5%	4.5%	16.8%	60.4%	0.0%	1.2%	1.6%	

N.B. This table illustrates the 'longtail' nature of CTP insurance. Premium collected by insurers in any one financial year may take a number of years to distribute to claimants as compensation. The dissection of claim payment types will also change as the largest value claims are finalised. In addition to the payments made on finalised claims shown in this table, insurers have also made significant payments on claims that are still open.

L4	L5	L6	M1	N1	P1	R1	V1	V2	V3	Total
Legal costs - defendants (solicitors)	Legal costs - defendants (barristers)	Legal costs - defendants (other outlays)	Hospital, medical, pharmaceutical	Payments to interstate & non CTP insurers	Other	Rehabilitation service costs	Recoveries from insured	Other party (other than through sharing)	Nominal Defendant recovery	Total
10,551	1,467	2,023	20,301	407	1,395	2,288		-2,210	-40	285,999
3.7%	0.5%	0.7%	7.1%	0.1%	0.5%	0.8%	0.0%	-0.8%	0.0%	100.0%
12,568	1,519	2,346	24,392	275	1,721	2,819	-54	-1,478	-63	341,392
3.7%	0.4%	0.7%	7.1%	0.1%	0.5%	0.8%	0.0%	-0.4%	0.0%	100.0%
11,293	1,607	2,241	23,231	154	2,162	3,307	-45	-1,298	-123	346,081
3.3%	0.5%	0.6%	6.7%	0.0%	0.6%	1.0%	0.0%	-0.4%	0.0%	100.0%
10,304	1,260	1,826	20,948	141	2,185	2,581	-94	-928	-77	322,388
3.2%	0.4%	0.6%	6.5%	0.0%	0.7%	0.8%	0.0%	-0.3%	0.0%	100.0%
11,570	1,085	1,483	20,841	12	1,445	4,094	-103	-441	-161	355,795
3.3%	0.3%	0.4%	5.9%	0.0%	0.4%	1.2%	0.0%	-0.1%	0.0%	100.0%
9,402	786	1,189	16,998		957	3,170	-52	-245	-10	290,347
3.2%	0.3%	0.4%	5.9%	0.0%	0.3%	1.1%	0.0%	-0.1%	0.0%	100.0%
2,999	214	404	10,389		475	2,250	-11	-16		177,807
1.7%	0.1%	0.2%	5.8%	0.0%	0.3%	1.3%	0.0%	0.0%	0.0%	100.0%
244	14	60	3,417		407	887	-13	-19	-4	65,212
0.4%	0.0%	0.1%	5.2%	0.0%	0.6%	1.4%	0.0%	0.0%	0.0%	100.0%
2			212		91	41				3,478
0.1%	0.0%	0.0%	6.1%	0.0%	2.6%	1.2%	0.0%	0.0%	0.0%	100.0%

Statistical Information



Number of Accidents by Postcode Division 1 September 1994 to 30 June 2003

Location	Postcode	Number of Accidents
Brisbane City	4000 - 4072	11,863
	4073 - 4209	16,175
	4500 - 4549	2,752
Gold Coast Region	4210 - 4299	8,980
Ipswich Region	4300 - 4349	2,932
Toowoomba Region	4350 - 4499	2,307
	4602 - 4618	188
Sunshine Coast Region	4550 - 4601	3,978
	4619 - 4689	2,526
Rockhampton Region	4690 - 4736	1,303
Mackay Region	4737 - 4805	1,691
Townsville Region	4806 - 4824	1,913
	4835 - 4850	122
Mt Isa Region	4825 - 4834	175
Cairns Region	4851 - 4899	2,560
Unknown		199
Non Qld		2,342
Total		62,006

Age Group of Claimants 1 September 1994 to 30 June 2003

Age Group	Male	Female	Unknown	Total	Percentage
Unknown*	112	118	204	434	0.5%
0 - 5 years	892	824	2	1,718	2.1%
6 - 15 years	2,176	2,290	4	4,470	5.5%
16 - 25 years	10,268	11,788	23	22,079	27.2%
26 - 35 years	9,182	9,463	16	18,661	23.0%
36 - 45 years	6,731	7,599	7	14,337	17.7%
46 - 55 years	4,612	5,397	27	10,036	12.4%
56 - 65 years	2,538	2,779	3	5,320	6.6%
66+	1,697	2,432	2	4,131	5.1%
	38,208	42,690	288	81,186	100.0%

*This figure includes Company claims

The categories are not comparable to previous reporting due to a revised calculation method.



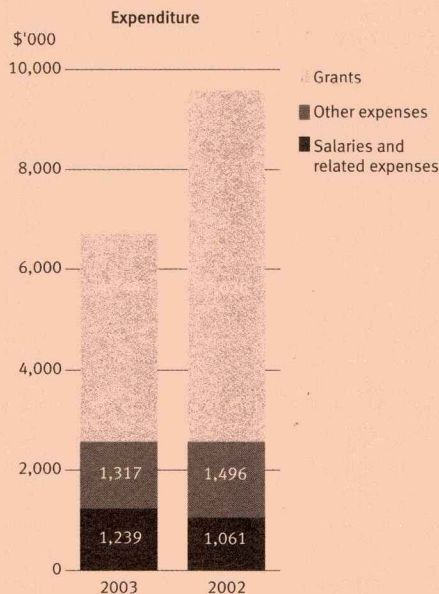
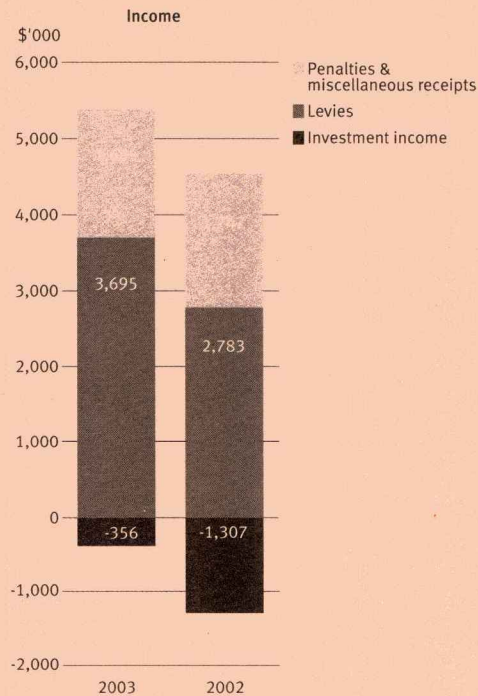
Financial Information 2002-03

Motor Accident Insurance Commission – Financial Summary

In comparison to the previous year, revenue increased overall from \$3.223 million to \$5.024 million. \$3.695 million of total revenue came from the MAIC statutory levy which increased from \$1.10 to \$1.35 per CTP policy. The return on investments saw an improvement during the reporting period, though the rate still remains in the negative.

The expenses of the Commission were lower than the previous year, which was primarily a result of fewer grant payments. Expenditure on grants was \$4.144 million compared to \$7.026 million in the 2001-02 financial year. Details of grant funding are provided in Appendix Five.

The resultant operating loss for the Commission for the year ended 30 June 2003 was \$1.676 million compared to an operating loss of \$6.360 million for the prior financial year. These operating losses are in part attributable to the Commission’s grant commitments made prior to the collapse of HIH. However, it should be noted that an amount of \$15.107 million is set aside in reserves to meet anticipated future funding of accident prevention and rehabilitation grants.



Motor Accident Insurance Commission

Statement of Financial Performance For the Financial Year ended 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
REVENUES FROM ORDINARY ACTIVITIES			
Levies	2 (a)	3,695	2,783
Investment Income	2 (b)	(356)	(1,307)
Penalties and miscellaneous receipts		1,685	1,747
Total revenue from ordinary activities		5,024	3,223
EXPENSES FROM ORDINARY ACTIVITIES			
Grants		4,144	7,026
Salaries and related expenses	2 (c)	1,239	1,061
Depreciation	2 (d)	20	17
Amortisation	2 (e)	0	11
Computer facilities management fee		206	288
Marketing and advertising		1	2
Rent		100	64
Other	2 (f)	990	1,114
Total expenses from ordinary activities		6,700	9,583
LOSS FROM ORDINARY ACTIVITIES	10	(1,676)	(6,360)

The accompanying notes form part of these financial statements



Statement of Financial Position
As at 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
CURRENT ASSETS			
Cash Assets		1,047	999
Receivables	3	864	161
Investment securities	4	12,565	14,372
Prepayments		1	10
Total current assets		14,477	15,542
NON-CURRENT ASSETS			
Receivables	3	500	1,050
Investment securities	4	10,500	10,500
Property, plant and equipment	5	110	63
Total non-current assets		11,110	11,613
TOTAL ASSETS		25,587	27,155
CURRENT LIABILITIES			
Payables	6	306	237
Provisions	7	101	71
Total current liabilities		407	308
TOTAL LIABILITIES		407	308
NET ASSETS		25,180	26,847
EQUITY			
Contributed Equity	8	0	0
Reserves	9	15,107	15,428
Retained profits	10	10,073	11,419
TOTAL EQUITY		25,180	26,847

The accompanying notes form part of these financial statements.

Motor Accident Insurance Commission

Statement of Cash Flows For the Financial Year ended 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Levies		3,695	2,783
Investment income		80	3,859
Penalties and miscellaneous receipts		1,721	1,807
GST input taxes recovered from ATO		541	566
Outflows:			
Grants		(4,144)	(7,026)
Salaries and related expenses		(1,209)	(1,063)
Computer facilities management fees		(220)	(263)
Marketing and advertising		(1)	(2)
Other		(2,181)	(1,567)
GST paid to ATO		0	0
Net cash used in operating activities	14(ii)	(1,718)	(906)
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Proceeds from sale of property, plant and equipment		1	1
Outflows:			
Purchase of property, plant and equipment		(42)	(35)
Net cash used in investing activities		(41)	(34)
CASH FLOWS FROM FINANCING ACTIVITIES			
Outflows			
Transfer of funds to the Nominal Defendant		0	(57,818)
Net cash used in financing activities		0	(57,818)
NET DECREASE IN CASH HELD		(1,759)	(58,758)
Cash at the beginning of the financial year		25,871	84,629
CASH AT THE END OF THE FINANCIAL YEAR	14(i)	24,112	25,871

The accompanying notes form part of these financial statements



Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 1 Statement of Significant Accounting Policies

(a) Background

The Motor Accident Insurance Commission, established on 1 September 1994 under the provisions of the *Motor Accident Insurance Act 1994*, is constituted as a body corporate under that Act. The Insurance Commissioner constitutes the Commission.

(b) Basis of Preparation

These financial statements have been prepared as general purpose financial statements in accordance with the requirements of the *Financial Administration and Audit Act 1977* and applicable Australian Accounting Standards and Concepts. The financial statements have been prepared on an historical cost basis, except for investment securities which are shown at net market value.

Amounts shown have been rounded to the nearest thousand dollars.

(c) Property, Plant & Equipment

In order to comply with the *Non-Current Asset Accounting Guidelines for the Queensland Public Sector* issued by Queensland Treasury, items of property, plant and equipment have been recorded at cost.

The threshold for the recording of property, plant and equipment assets is \$5,000.

(d) Depreciation

Depreciation is calculated on a straight-line basis, to write-off the net cost of each depreciable asset, progressively over its expected useful life.

The expected useful lives are as follows:

Plant & Equipment	3 - 5 years
Furniture & Fittings	5 years
Leasehold Improvements	12 years

Amortisation

Amortisation is calculated on a straight-line basis, to write-off the net cost progressively over its expected useful life.

The expected useful lives are as follows:

Computer Software	5 years
-------------------	---------

(e) Funding of Motor Accident Insurance Fund

Funding is by way of levies paid by motorists pursuant to the *Motor Accident Insurance Act 1994*, based on the gross premiums collected for Compulsory Third Party motor vehicle insurance policies; interest on investments; and penalties imposed for offences under the Act.

(f) Investments

All funds not required for the day to day management of the Motor Accident Insurance Commission are invested with the Queensland Investment Corporation and are recorded in these accounts at net market value.

Notes to and forming part of the financial statements
For the financial year ended 30 June 2003

NOTE 1 (Continued)

(g) Employee Leave Entitlements

(1) Wages, Salaries, Annual Leave and Sick Leave

Wages, salaries and annual leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, WorkCover premiums, long service leave levies and employer superannuation contributions.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to recur in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

(2) Long Service Leave

Under the Queensland Government's long service leave scheme, a levy is made on the Commission to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 – *Financial Reporting by Governments*.

(h) Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the State Actuary.

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 – *Financial Reporting by Governments*.

(i) Contingent Assets

Under section 33(6) and 33(7) of the *Motor Accident Insurance Act 1994*, should circumstances give rise to a recovery from the liquidation of FAI General Insurance Company Limited, or recovery from another party, the Treasurer may, by written notice to the Nominal Defendant, direct it to return funds of an amount, not exceeding \$57,818,000 to the Motor Accident Insurance Fund. Refer note 8.

(j) Levy Collection and Contribution

Levies received in accordance with Section 27 of the *Motor Accident Insurance Act 1994* are recognised as revenue at the time they are legally due to be paid by the Queensland Department of Transport to the Commission, upon receipt of monies from motorists.

Levies collected on behalf of the Queensland Department of Health and the Department of Emergency Services during the current year have not been included as revenue in the Statement of Financial Performance as these amounts are not controlled. Similarly, remittances made to Queensland Department of Health and the Department of Emergency Services have not been included as expenses.

Details on the levies collected on behalf of and distributed to Queensland Department of Health and the Department of Emergency Services are provided in note 13.

(k) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.



Notes to and forming part of the financial statements
For the year ended 30 June 2003

	2003 \$'000	2002 \$'000
NOTE 2 Profit from Ordinary Activities		
(a) Levies		
Levies – comprise amounts required to be paid by licensed CTP insurers on gross insurance premiums.		
Statutory Insurance Scheme Levy	3,695	2,783
Total	3,695	2,783
(b) Investment Income		
Distributions received from Queensland Investment Corporation	(434)	(1,373)
Interest received from funds held by Queensland Treasury	78	66
Total	(356)	(1,307)
(c) Salaries and related Expense		
Salaries and wages	920	798
Superannuation	117	101
Long service leave expense	12	10
Recreation leave expense	88	79
Other related expenses	102	73
Total	1,239	1,061
(d) Depreciation		
Plant, Equipment and Furniture and Fittings	20	17
Total	20	17
(e) Amortisation		
Computer Software	0	11
Total	0	11
(f) Other		
Consultancy Expenditure	316	254
Administration Fees	162	234
Other	512	626
Total	990	1,114

Motor Accident Insurance Commission

Notes to and forming part of the financial statements For the year ended 30 June 2003

		2003 \$'000	2002 \$'000
NOTE 3	Receivables		
	<u>Current</u>		
	Loan Receivable	550	0
	Accrued investment income	207	18
	Penalties receivable	90	105
	Other receivables	17	38
	Total	864	161
	<u>Non-Current</u>		
	Loan Receivable	500	1,050
	Total	500	1,050
NOTE 4	Investment Securities		
	<u>Current</u>		
	Queensland Investment Corporation	12,565	14,372
	<u>Non-Current</u>		
	Queensland Investment Corporation	10,500	10,500
	Total	23,065	24,872
NOTE 5	Property, Plant and Equipment		
	<u>Property</u>		
	Leasehold Improvements – at cost	89	60
	Accumulated depreciation	(21)	(11)
	Total property	68	49
	<u>Plant and Equipment</u>		
	Plant, Equipment and Fittings – at cost	133	73
	Accumulated depreciation	(91)	(59)
	Total plant and equipment	42	14
	<u>Intangibles</u>		
	Computer Software – at cost	163	163
	Accumulated amortisation	(163)	(163)
	Total intangibles	0	0
	Total Property, Plant and Equipment and Intangibles	110	63



Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 5 (Continued)

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Leasehold Improvements \$'000	Plant, Equipment & Fittings \$'000	Total \$'000
Carrying amount at beginning of the financial year	49	14	63
Additions	0	42	42
Transfers	24	(2)	22
Depreciation Charged	(8)	(12)	(20)
Adjustments	3	0	3
Carrying amount at the end of the financial year	68	42	110

	2003 \$'000	2002 \$'000
NOTE 6 Payables		
Sundry creditors and accruals	306	237
Total	306	237

NOTE 7 Provisions		
Employee Entitlements	101	71
Total	101	71

NOTE 8 Contributed Equity		
Assets and liabilities transferred on establishment of the Motor Accident Insurance Commission on 1 September 1994.		
Opening Balance at 1 July		
Nominal Defendant (Queensland)	0	57,818
Consolidated Fund	0	(31)
	0	57,787
Transfers to:		
Nominal Defendant	0	(57,818)
Retained profits	0	31
Total equity at the reporting date	0	0

Motor Accident Insurance Commission

Notes to and forming part of the financial statements For the year ended 30 June 2003

NOTE 8 (Continued)

Under section 33(4) and 33(5) of the *Motor Accident Insurance Act 1994*, the amount of \$57,818,000 was transferred from the Motor Accident Insurance Fund to the Nominal Defendant Fund on 22 January 2002 to be applied to the outstanding claims liabilities arising from the insolvency of FAI General Insurance Company Limited

	NOTE	2003 \$'000	2002 \$'000
NOTE 9 Reserves			
Composition and movements:			
Income Maintenance			
Balance at end of year		10,500	10,500
Accident Prevention Initiatives			
Balance at beginning of year		1,376	1,350
Transfer to retained profits		(1,052)	(1,110)
Transfer from retained profits		1,226	1,136
Balance at end of year		1,550	1,376
Rehabilitation Initiatives			
Balance at beginning of year		3,552	6,472
Transfer to retained profits		(3,184)	(5,872)
Transfer from retained profits		2,689	2,952
Balance at end of year		3,057	3,552
Total Reserves		15,107	15,428
NOTE 10 Retained Profits			
Retained profits at the beginning of the financial year		11,419	14,889
Loss from ordinary activities		(1,676)	(6,360)
Transfers to reserves:			
Accident Prevention Initiatives		(1,226)	(1,136)
Rehabilitation Initiatives		(2,689)	(2,952)
Transfers from reserves:			
Accident Prevention Initiatives		1,052	1,110
Rehabilitation Initiatives		3,184	5,872
Other		9	27
Equity Transfer – Consolidated Fund	8	0	(31)
Retained profits at the reporting date		10,073	11,419



Notes to and forming part of the financial statements
For the year ended 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
NOTE 11 Auditor's Remuneration			
Remuneration received or due and receivable by the Auditor-General of Queensland for external audit services		11	10
NOTE 12 Commitments for Expenditure			
(a) Maintenance Contract Commitment			
Total expenditure contracted for at balance date but not provided for in the accounts:			
Due not later than one year		62	258
Due later than one year but not later than five years		0	62
Total		62	320
(b) Operating Lease Rental Commitments			
Future operating lease rentals not provided for in the financial statements are payable as follows:			
Due not later than one year		110	92
Due later than one year but not later than five years		0	30
Total		110	122
(c) Grant Commitments			
The <i>Motor Accident Insurance Act 1994</i> provides for the Commission to allocate funds for strategic accident prevention and rehabilitation initiatives. The payment of these grant monies is dependent on the grantee organisation satisfying conditions as set out in the grant agreement.			
Future grant commitments not provided for in the financial statements are payable as follows:			
Due not later than one year		4,607	4,928
Due later than one year but not later than five years		6,909	10,197
Total		11,516	15,125

Motor Accident Insurance Commission

Notes to and forming part of the financial statements For the year ended 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
NOTE 13	Agency Transactions (Hospital & Emergency Services Levy)		
<p>The Motor Accident Insurance Commission (MAIC) receives hospital and emergency services levy amounts from Queensland Transport for transfer payments to Queensland Department of Health and the Department of Emergency Services. Details of amounts collected and administered by MAIC during the year and the amount held on behalf of Queensland Department of Health and the Department of Emergency Services at year end are as follows:</p>			
Levies			
<p>Comprise amounts collected from Queensland Transport on gross insurance premiums.</p>			
<p>Levies collected but not remitted in the previous year</p>			
		1,646	1,423
Hospital levy		14,111	12,941
Emergency Services levy		7,085	5,864
		<hr/> 22,842	<hr/> 20,228
Contributions			
<p>Comprise payments to Queensland Department of Health and the Department of Emergency Services on account of levies received from Queensland Transport.</p>			
Hospital levy contributions		13,604	12,915
Emergency Services levy contributions		6,871	5,667
		<hr/> 20,475	<hr/> 18,582
<p>Amounts collected on behalf of but not yet remitted to Queensland Department of Health and the Department of Emergency Services in respect of hospital and emergency services levies as at 30 June 2003: (This amount is held in QIC investments)</p>			
		<hr/> 2,367	<hr/> 1,646



Notes to and forming part of the financial statements
For the year ended 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
NOTE 14 Statement of Cash Flows			
(i) Reconciliation of cash			
For the purposes of the Statement of Cash Flows, cash includes cash on hand and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Cash		1,047	999
Investments	4	23,065	24,872
Total		24,112	25,871
(ii) Reconciliation of operating loss with net cash provided by operating activities			
Operating loss		(1,676)	(6,360)
Add/(Less) non cash items:			
Depreciation		20	17
Amortisation		0	11
Profit on disposal of property, plant and equipment		(1)	(1)
Asset Transfers		(25)	56
Direct changes to equity		9	27
Changes in assets and liabilities:			
Increase/(Decrease) in creditors		69	107
(Increase)/Decrease in receivables		(153)	5,212
Decrease/(Increase) in prepayments		9	27
(Decrease)/Increase in provisions		30	(2)
Net cash provided by operating activities		(1,718)	(906)
(iii) The Motor Accident Insurance Fund has no unused borrowing or overdraft facility			

Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 15 Financial Instruments

(a) Terms, Conditions and Accounting Policies

Financial Instrument	Related Financial Statement Notes	Accounting Policies	Terms and Conditions
<u>Financial Assets</u>			
Cash on hand	14 (i)	Recorded at book value, which approximates fair value.	
Receivables penalties receivable	3	Recognition – upon receipt of fines by QLD Transport and the Courts. Measurement – prescribed by the <i>Motor Accident Insurance Act 1994</i> . Recorded at book value	Usually received within 30 days from the month due.
interest on investments	2 (b)	Recognition – at the end of the financial year. Measurement – based on the preliminary distribution provided by QIC.	Interest is normally paid in August of the following year.
Loans receivable	3	Recognition – upon issue of funds. Measurement – based on memorandum of agreement and recorded at book value.	No interest rate applied as this is funding to promote research into accident rehabilitation. Repayments in accordance with individual loan agreements.
Investment securities	4	Recognition – on the day funds are invested. Measurement – at net market value.	Can be drawn upon as when required.
<u>Financial Liabilities</u>			
Payables	6	Recognition – upon receipt of goods or services irrespective of whether an invoice has been received. Measurement – based on agreed purchase/contract costs.	Amounts are usually settled within 30 days upon receipt of invoice.



Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 15 (Continued)

The Fund invests with the Queensland Investment Corporation (QIC). The QIC will have invested in a variety of financial instruments including derivatives which expose the Fund's investments to a variety of investment risks including market risk, credit risk, interest rate risk and currency risk.

(b) Interest Rate Risk Exposures

The Fund invests in financial assets for the primary purpose of obtaining a return on investments, to help meet the costs of administering the *Motor Accident Insurance Act 1994*. The Fund's return on the investments will fluctuate in accordance with movements in the market interest rates.

2003			Fixed interest rate maturing in			Non	
	Notes	Floating interest rate \$'000	1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000	interest bearing \$'000	Total \$'000
Financial assets							
Cash		1,047	-	-	-		1,047
Receivables	3	-	-	-	-	1,364	1,364
Investments	4	-	-	-	-	23,065*	23,065
		1,047	-	-	-	24,429	25,476
Financial Liabilities							
Payables	6	-	-	-	-	306	306
Net financial assets							
(liabilities)		1,047	-	-	-	24,123	25,170
Weighted average interest rate		3.9%					
2002			Fixed interest rate maturing in			Non	
	Notes	Floating interest rate \$'000	1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000	interest bearing \$'000	Total \$'000
Financial assets							
Cash		999	-	-	-		999
Receivables	3	-	-	-	-	1,211	1,211
Investments	4	-	-	-	-	24,872*	24,872
		999	-	-	-	26,083	27,082
Financial Liabilities							
Payables	6	-	-	-	-	237	237
Net financial assets							
(liabilities)		999	-	-	-	25,846	26,845
Weighted average interest rate		3.6%					

* Investments in QIC are not classified as interest bearing as the Fund receives a distribution of profits based on the earnings of units in investments in QIC.

NOTE 15 (Continued)

(c) Credit Risk Exposures

Credit exposure represents the extent of credit related losses that the Fund may be subject to on amounts to be received from financial assets. The Fund, while exposed to credit related losses in the event of non-performance by counterparties of financial institutions, does not expect any counterparties to fail to meet their obligations.

(d) Net Fair Values

The carrying amounts of financial assets and liabilities approximate their fair values. The fair value of investments is measured at net market value based on QIC advice.

NOTE 16 Segment Information

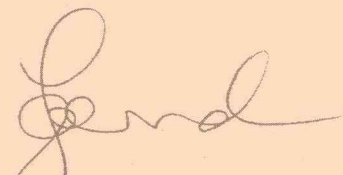
The Commission operates within one primary and one geographical segment, that being the administration of the Queensland compulsory third party motor vehicle insurance scheme.

Certificate of the Motor Accident Insurance Commission




The foregoing annual financial statements have been prepared pursuant to the provisions of the *Financial Administration and Audit Act 1977* and other prescribed requirements and we certify that-

- (a) the foregoing annual financial statements and notes to and forming part thereof are in agreement with the accounts and records of the Motor Accident Insurance Commission; and
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing annual financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Motor Accident Insurance Commission for the year ended 30 June 2003 and of the financial position of the Commission as at 30 June 2003.



L Anderson
Insurance Commissioner



G Bott
Manager Systems and Finance

Dated: 8 September 2003

Independent Audit Report

To the Motor Accident Insurance Commission

Scope

The financial statements

The financial statements of the Motor Accident Insurance Commission consist of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial statements and certificates given by the Insurance Commissioner and officer responsible for the financial administration of the Motor Accident Insurance Commission, for the year ended 30 June 2003.

The Motor Accident Insurance Commission's responsibility

The Motor Accident Insurance Commission is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

As required by law, an independent audit was conducted in accordance with *QAO Auditing Standards* to enable me to provide an independent opinion whether in all material respects the financial statements present fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland

Audit procedures included -

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements,
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Motor Accident Insurance Commission,
- obtaining written confirmation regarding the material representations made in conjunction with the audit, and
- reviewing the overall presentation of information in the financial statements.

Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

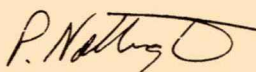
The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Motor Accident Insurance Commission for the financial year 1 July 2002 to 30 June 2003 and of the financial position as at the end of that year.



P J Nottingham, FCPA
Audit Manager
(as Delegate of the Auditor-General of Queensland)

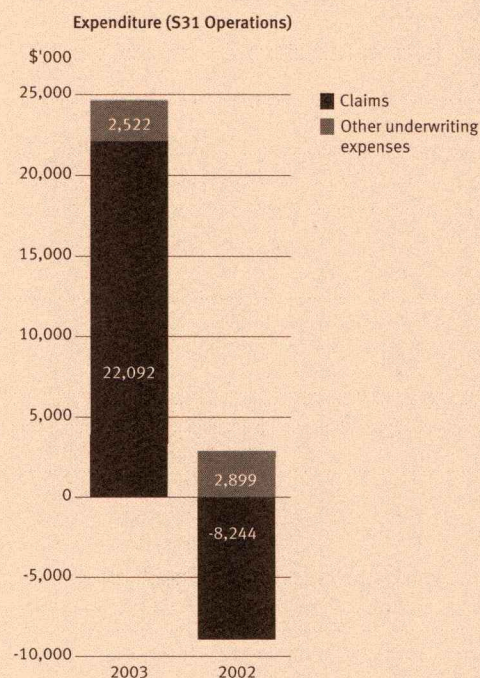
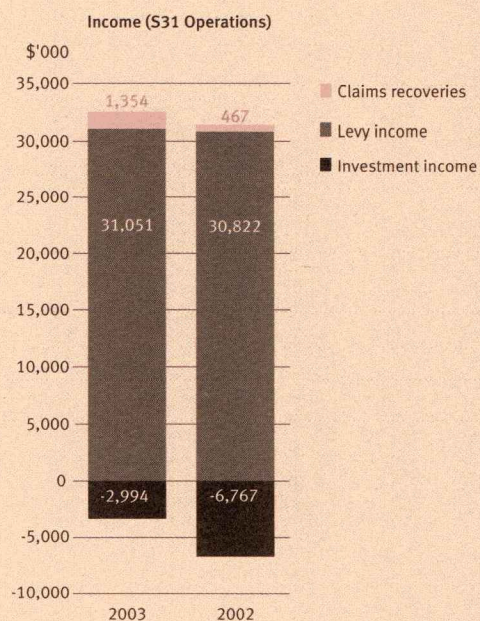
Queensland Audit Office
Brisbane

Nominal Defendant – Financial Summary

The operating loss of the Nominal Defendant was \$0.023 million for the year ended 30 June 2003 compared to the prior year's operating profit of \$0.645 million. The State Government advanced \$25.405 million to the Nominal Defendant to meet the liabilities of FAI during the year with an amount of \$15.889 million receivable at the end of the year. The amount of this advance was determined after deducting cash receipts of the CTP levy surcharge and \$50 million of funds transferred from the Nominal Defendant section 31 operations during 2002-03.

In relation to the normal business of the Nominal Defendant (claims relating to unidentified and uninsured vehicles under section 31 of the Act), payments on claims and associated costs during the financial year decreased from \$24.851 million to \$20.057 million. The provisions for outstanding claims liabilities were actuarially assessed and were increased by \$2.036 million compared to the unusual decrease of \$33.097 million last year.

The income from the levy for the normal business of the Nominal Defendant increased to \$31.051 million reflecting growth in the number of registered vehicles and a full year of earned income at the rate of \$12.80 per vehicle. Claims recoveries including sharing were \$1.354 million during the year, up from \$0.467 million in the previous year. Income from investments fell due to the negative rate of return on investments. The \$5 levy surcharge raised \$12.084 million in the year.



Nominal Defendant

Statement of Financial Performance For the Financial Year ended 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
REVENUES FROM ORDINARY ACTIVITIES			
Levy Income	1(i)	43,135	34,568
Investment Income	5	(2,994)	(6,767)
Total revenue from ordinary activities		40,141	27,801
EXPENSES FROM ORDINARY ACTIVITIES			
Claims	2	36,586	22,691
Claims Recoveries		(1,468)	(1,152)
Net Claims Incurred		35,118	21,539
Other Ordinary Expenses	4	5,046	5,617
Total expenses from ordinary activities		40,164	27,156
(LOSS)/PROFIT FROM ORDINARY ACTIVITIES	13	(23)	645

The accompanying notes form part of these financial statements



Statement of Financial Position
As at 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
CURRENT ASSETS			
Cash Assets		1,612	719
Receivables	6	43,765	37,101
Investment securities	7	27,545	35,447
Prepayments		1	2
Total current assets		72,923	73,269
NON-CURRENT ASSETS			
Investment securities	7	121,638	148,599
Property, plant and equipment	8	111	84
Total non-current assets		121,749	148,683
TOTAL ASSETS		194,672	221,952
CURRENT LIABILITIES			
Payables	9	1,619	820
Provision for employee entitlements	10	50	43
Provision for outstanding claims	11	96,365	120,693
Unearned levies	1(i)	23,212	19,887
Total current liabilities		121,246	141,443
NON-CURRENT LIABILITIES			
Provision for outstanding claims	11	248,829	297,217
Total non-current liabilities		248,829	297,217
TOTAL LIABILITIES		370,075	438,660
NET LIABILITIES		(175,403)	(216,708)
EQUITY			
Contributed Equity	12	186,304	145,010
Accumulated Losses	13	(361,707)	(361,718)
TOTAL EQUITY		(175,403)	(216,708)

The accompanying notes form part of these financial statements.

Nominal Defendant

Statement of Cash Flows For the Financial Year ended 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Levies		47,581	38,578
Claims recoveries		1,468	1,152
Investment income		114	4,380
GST input taxes recovered from ATO		1,665	1,344
Outflows:			
Claims		(123,424)	(150,941)
Salaries and related expenses		(724)	(711)
Others		(9,308)	(4,748)
GST paid to ATO		-	-
Net cash provided by (used in) operating activities	16(ii)	(82,628)	(110,946)
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Proceeds on disposal of property, plant and equipment		-	2
Outflows:			
Purchase of property, plant and equipment		(26)	(49)
Net cash used in investing activities		(26)	(47)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows:			
Transfer from MAIC		-	57,818
Queensland Treasury Indemnity Receipts		48,684	63,790
Net cash provided by financing activities		48,684	121,608
NET (DECREASE)/INCREASE IN CASH HELD		(33,970)	10,615
Cash at the beginning of the financial year		184,765	174,150
CASH AT THE END OF THE FINANCIAL YEAR	16(i)	150,795	184,765

The accompanying notes form part of these financial statements



Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 1 Statement of Significant Accounting Policies

(a) Background

The Nominal Defendant, established on 1 September 1994 under the provisions of the *Motor Accident Insurance Act 1994*, is constituted as a body corporate under that Act.

(b) Basis of Preparation

These financial statements have been prepared as general purpose financial statements in accordance with the requirements of the *Financial Administration and Audit Act 1977* and applicable Australian Accounting Standards and Concepts. The financial statements have been prepared on an historical cost basis, except as otherwise disclosed in the financial statements or notes.

Amounts shown have been rounded to the nearest thousand dollars.

(c) Going Concern

These financial statements have been prepared on a going concern basis.

Under Section 33(2) of the *Motor Accident Insurance Act 1994*, the Nominal Defendant has assumed the Queensland Compulsory Third Party liabilities of the insolvent insurer, FAI General Insurance Company Limited (FAI).

The State Government has agreed to indemnify the Nominal Defendant for any shortfalls relating to the above. Funds to be advanced to the Nominal Defendant are determined after taking into consideration a component of the levy, potential recoveries from the liquidator of the insolvent insurer and funds transferred from the Motor Accident Insurance Commission as detailed in Note 1(n).

(d) Operating Assets

In order to comply with the *Non-Current Asset Accounting Guidelines for the Queensland Public Sector* issued by Queensland Treasury, operating assets have been recorded at cost.

The threshold for the recording of operating assets is \$5,000.

(e) Depreciation

Depreciation is calculated on a straight-line basis, to write off the net cost of each depreciable asset, progressively over its expected useful life.

The expected useful lives are as follows:

Plant & Equipment	3-5 years
Leasehold Improvements	12 years

NOTE 1 (Continued)

(f) Amortisation

Amortisation is calculated on a straight-line basis, to write off the net cost of each depreciable asset, progressively over its expected useful life.

The expected useful lives are as follows:

Computer Software 5 years

(g) Funding of Nominal Defendant Fund

Funding is by way of levies, as explained at Note 1(i); interest on investments; and monies recovered by the Nominal Defendant against owners and/or drivers of uninsured vehicles and failed claimants. In addition, any shortfall resulting from FAI claims liabilities is funded by the State Government as detailed at Note 1(c).

(h) Provision for Outstanding Claims

Provisions for outstanding claims have been actuarially calculated as at 30 June 2003 by an independent actuarial firm, Trowbridge Consulting, the principals of which are Fellows of the Institute of Actuaries in Australia. The Actuaries have furnished a Certificate.

Claims incurred expense and a liability for outstanding claims are recognised for claims incurred but not yet paid, incurred but not yet reported claims and anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating unnotified claims and settlement costs using statistics based on past experience and trends.

The liability for outstanding claims is measured as the present value of the expected future payments, reflecting the fact that all the claims do not have to be paid out in the immediate future. The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation. The expected future payments are then discounted to a present value at the reporting date using discount rates based on investment opportunities available to the organisation on the amount of funds sufficient to meet claims as they become payable. The details of rates applied are included in Note 11.

(i) Levies

In order to comply with the provisions of Australian Accounting Standard AASB 1023 *Financial Reporting of General Insurance Activities*, the Nominal Defendant levy, as stated in Section 12 of the *Motor Accident Insurance Act 1994*, is to be treated as "premium" as defined in AASB 1023 and is accounted for as such in accordance with the provisions of AASB 1023.

Levy revenue is recognised in the Statement of Financial Performance only when it has been earned in accordance with accounting principles set out in AASB 1023. Levies received but not earned as at the end of the reporting period are recorded as a liability (*unearned levies*) in the Statement of Financial Position and then systematically transferred to revenue in the Statement of Financial Performance as the levy is earned over time. In accordance with AASB 1023 the recognition of earned levy revenue is on the basis of the passage of time, commencing from the week in which motorists remit their CTP premiums to the Queensland Department of Transport.

Levy revenue is received from motorists via the Queensland Department of Transport in accordance with Section 29 of the *Motor Accident Insurance Act 1994* based on a levy on gross premiums collected for Compulsory Third Party motor vehicle insurance policies. These levies are used to fund estimated costs of the Nominal Defendant scheme for the financial year and shortfalls from previous years.



Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 1 (Continued)

The Nominal Defendant levy rate is fixed each year by regulation in accordance with Section 14A(1) of the *Motor Accident Insurance Act 1994*.

The Motor Accident Insurance Commission makes a recommendation to the Minister on the levy rate after obtaining and considering actuarial advice.

(j) Investments

All funds not required for the day to day management of the Nominal Defendant are invested with the Queensland Investment Corporation, and are recorded in these accounts at net market value. As these investments are held primarily to fund present and future claims on the Nominal Defendant they have been classified between current and non-current assets on the same percentage basis as that applied to the Provision for Outstanding Claims.

(k) Employee Leave Entitlements

(1) Wages, Salaries, Annual Leave and Sick Leave

Wages, salaries and annual leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, WorkCover premiums, long service leave levies and employer superannuation contributions.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to recur in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

(2) Long Service Leave

Under the Queensland Government's long service leave scheme, a levy is made on the Commission to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 – *Financial Reporting by Governments*.

(l) Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the State Actuary.

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 – *Financial Reporting by Governments*.

NOTE 1 (Continued)

(m) Receivables

It is not the policy of the Nominal Defendant to recognise the debt or potential income accruing as the result of judgements granted in favour of it for legal costs and claims against uninsured owners and/or drivers. The resultant receipts are immaterial when compared to the Nominal Defendant's other sources of income and are recognised in the accounts in the period in which they are received. This policy is under constant review by the Nominal Defendant.

(n) Contingent Liabilities

In accordance with the Deed of Indemnity to the Nominal Defendant for the assumed HIH CTP Liability, where the cash receipts of the CTP levy surcharge and any amounts received from the liquidator of the HIH Group exceed the amount paid for the claims liabilities and management costs, as a result of the insolvency of FAI General Insurance Company Limited, the Nominal Defendant will pay the excess to the Treasurer.

Under section 33(6) and 33(7) of the *Motor Accident Insurance Act 1994*, should circumstances give rise to a recovery from the liquidation of FAI General Insurance Company Limited, or recovery from another party, the Treasurer may, by written notice to the Nominal Defendant, direct it to return funds of an amount, not exceeding \$57,818,000 to the Motor Accident Insurance Fund. Refer note 12.

(o) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged to expense in the period in which they are incurred.



Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 2 Claims

Claims comprise amounts required to be paid on behalf of those insured, amounts set aside for future claims and claims settlement costs. Claims settlement costs include costs that can be associated directly with individual claims, such as legal and professional fees.

	2003 \$'000	2002 \$'000
Decrease in provision for outstanding claims	(72,717)	(115,908)
Claims and associated settlement costs	109,303	138,599
Total	36,586	22,691

Claims attributable to FAI

The following amounts attributable to FAI are included in the claims figures listed above.

Decrease in provision for outstanding claims	(74,752)	(82,812)
Claims and associated settlement costs	89,246	113,748
Total	14,494	30,936

NOTE 3 Net Claims Incurred

Current period claims related to risks borne in the current reporting period. Prior period claims relate to a reassessment of the risks borne in all previous reporting periods.

Claims attributable to Nominal Defendant

	2003			2002		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
Gross claims incurred and related expenses						
- undiscounted	32,714	(4,925)	27,789	36,657	(58,430)	(21,773)
Reinsurance and other recoveries						
- undiscounted	(1,997)	(7,286)	(9,283)	(1,336)	519	(817)
Net claims incurred						
- undiscounted	30,717	(12,211)	18,506	35,321	(57,911)	(22,590)
Discount and discount movement						
- gross claims incurred	(6,570)	7,577	1,007	(7,602)	21,572	13,970
Discount and discount movement						
- reinsurance and other recoveries	405	820	1,225	279	(370)	(91)
Net discount movement	(6,165)	8,397	2,232	(7,323)	21,202	13,879
Net Claims Incurred						
- discounted	24,552	(3,814)	20,738	27,998	(36,709)	(8,711)

Nominal Defendant

Notes to and forming part of the financial statements For the year ended 30 June 2003

NOTE 3 (Continued)

Claims attributable to FAI

	2003			2002		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
Gross claims incurred and related expenses						
- undiscounted	-	9,921	9,921	-	27,624	27,624
Reinsurance and other recoveries						
- undiscounted	-	(8,032)	(8,032)	-	(10,784)	(10,784)
Net claims incurred						
- undiscounted	-	1,889	1,889	-	16,840	16,840
Discount and discount movement						
- gross claims incurred	-	13,922	13,922	-	13,245	13,245
Discount and discount movement						
- reinsurance and other recoveries	-	(1,432)	(1,432)	-	166	166
Net discount movement	-	12,490	12,490	-	13,411	13,411
Net Claims Incurred - discounted	-	14,379	14,379	-	30,251	30,251

	NOTE	2003 \$'000	2002 \$'000
Net Claims Incurred			
Net Claims Incurred – discounted		20,738	(8,711)
Claims Recoveries		1,354	466
		22,092	(8,245)
Add: Claims attributable to FAI		14,379	30,251
Claims Recoveries - FAI		115	685
	2	14,494	30,936
Total Claims	2	36,586	22,691



Notes to and forming part of the financial statements
For the year ended 30 June 2003

	2003 \$'000	2002 \$'000
NOTE 4 Other Underwriting Expenses		
Salaries and wages		
Salaries and wages	579	552
Superannuation	77	66
Long service leave expense	9	8
Recreation leave expense	59	47
Other related expenses	44	37
Depreciation		
Plant and equipment	21	10
Computer software	2	15
Rent	54	66
Consultancy Expenditure	130	74
Reinsurance	1,036	1,526
Administration Fees	120	382
FAI Management Costs	2,346	2,483
Other	569	351
Total	5,046	5,617
Other Underwriting Expenses attributable to FAI		
Salaries and wages		
Salaries and wages	62	61
Superannuation	8	9
Long service leave expense	1	1
Recreation leave expense	7	5
Other related expenses	4	4
Depreciation		
Plant and equipment	4	0
Consultancy Expenditure	35	50
FAI Management Costs	2,346	2,483
Other	59	132
Total	2,526	2,745
NOTE 5 Investment Income		
Distributions received from Queensland Investment Corporation	(3,104)	(6,842)
Interest received from funds held by Queensland Treasury	110	75
Total	(2,994)	(6,767)

Nominal Defendant

Notes to and forming part of the financial statements For the year ended 30 June 2003

		2003 \$'000	2002 \$'000
NOTE 6	Receivables		
	Accrued investment income	1,377	25
	Levies receivable	-	1,121
	Queensland Treasury Indemnity Receipts	15,889	23,281
	Claims Recoveries & Reinsurance Receivable	26,464	12,341
	Other	35	333
	Total	43,765	37,101
NOTE 7	Investment Securities		
	<u>Current</u>		
	Queensland Investment Corporation	27,545	35,447
	<u>Non-Current</u>		
	Queensland Investment Corporation	121,638	148,599
	Total	149,183	184,046
NOTE 8	Property, Plant and Equipment		
	Property		
	Leasehold Improvements – at cost	89	59
	Accumulated depreciation	(19)	(5)
	Total property	70	54
	Plant and Equipment		
	Plant, Equipment and Fittings – at cost	107	103
	Accumulated depreciation	(71)	(80)
	Total plant and equipment	36	23
	Intangibles		
	Computer Software – at cost	174	174
	Accumulated amortisation	(169)	(167)
	Total intangibles	5	7
	Total Property, Plant and Equipment and Intangibles	111	84



Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 8 (Continued)

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Leasehold Improvements \$'000	Plant & Equipment \$'000	Computer Software \$'000	TOTAL \$'000
Carrying amount at beginning of the financial year	54	23	7	84
Additions	-	26	-	26
Transfers	26	-	-	26
Depreciation Charged	(8)	(13)	(2)	(23)
QT Adjustments	(2)	-	-	(2)
Carrying amount at the end of the financial year	70	36	5	111
			2003 \$'000	2002 \$'000

NOTE 9 Payables

Sundry creditors and accruals	1,619	820
	<u>1,619</u>	<u>820</u>

The following amounts attributable to FAI are included in the payables figures listed above

Sundry creditors and accruals	1,222	368
	<u>1,222</u>	<u>368</u>

NOTE 10 Provision for Employee Entitlements

Employee Entitlements	50	43
	<u>50</u>	<u>43</u>

The following amounts attributable to FAI are included in the provision figures listed above

Employee Entitlements	6	6
	<u>6</u>	<u>6</u>

Nominal Defendant

Notes to and forming part of the financial statements For the year ended 30 June 2003

	2003 \$'000	2002 \$'000
NOTE 11 Provision for Outstanding Claims		
The total provision is as follows:		
Current	96,365	120,693
Non-Current	248,829	297,217
Total	345,194	417,910
Outstanding Claims attributable to Nominal Defendant		
Expected future claims payments (undiscounted)	154,694	154,890
Discount to present value	(25,603)	(27,835)
Liability for outstanding claims	129,091	127,055
(i) The weighted average expected term to settlement from the reporting date of the outstanding claims is estimated to be 3.35 years (2002 – 3.3 years)		
(ii) The following average inflation (normal and superimposed) rates and discount rates were used in measuring the liability for outstanding claims.		
Claims expected to be paid:		
Not later than one year		
Inflation rate	7.0%	7.0%
Discount rate	5.2%	5.8%
Later than one year		
Inflation rate	7.0%	7.0%
Discount rate	5.2%	5.8%
Outstanding Claims attributable to FAI		
Expected future claims payments (undiscounted)	239,731	326,438
Discount to present value	(23,628)	(35,583)
Liability for outstanding claims	216,103	290,855
(i) The weighted average expected term to settlement from the reporting date of the outstanding claims is estimated to be 2.21 years (2002 – 2.16 years).		
(ii) The following average inflation (normal and superimposed) rates and discount rates were used in measuring the liability for outstanding claims.		
Claims expected to be paid:		
Not later than one year		
Inflation rate	7.0%	7.0%
Discount rate	5.0%	5.7%
Later than one year		
Inflation rate	7.0%	7.0%
Discount rate	5.0%	5.7%



Notes to and forming part of the financial statements
For the year ended 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
NOTE 12 Contributed Equity			
Assets and Liabilities transferred from Nominal Defendant (Queensland) on establishment of the Nominal Defendant on 1 September 1994.	1(a)	121	121
Return of contributed equity – MAIC	(i)	57,818	57,818
Non appropriated equity injection	(ii)	128,365	87,071
Total equity at the reporting date		186,304	145,010
 (i) Under section 33(4) and 33(5) of the <i>Motor Accident Insurance Act 1994</i> , the amount of \$57,818,000 was transferred from the Motor Accident Insurance Fund (MAIC) to the Nominal Defendant Fund on 22 January 2002 to be applied to the outstanding claims liabilities arising from the insolvency of FAI General Insurance Company Limited.			
(ii) <u>Non Appropriated Equity Injection</u>			
Balance at the beginning of the financial year		87,071	-
Queensland Treasury Indemnity Receipts		41,294	87,071
Balance at the reporting date		128,365	87,071
Funding provided by the State Government in accordance with indemnity for shortfalls relating to liabilities of FAI General Insurance Company Limited			
NOTE 13 Accumulated Losses			
Accumulated Losses at the beginning of the financial year		(361,718)	(362,361)
Profit/(Loss) from ordinary activities		(23)	645
Other		34	(2)
Accumulated Losses at the reporting date		(361,707)	(361,718)
NOTE 14 Auditor's Remuneration			
Remuneration received or due and receivable by the Auditor-General of Queensland for external audit services		20	19
NOTE 15 Commitments for Expenditure			
Operating Lease Rental Commitments			
The Nominal Defendant assumed joint responsibility with the Motor Accident Insurance Commission for servicing the lease entered into in joint tenancy between the Nominal Defendant (Queensland) and the Office of the Insurance Commissioner in the 1993/94 financial year			

Nominal Defendant

Notes to and forming part of the financial statements For the year ended 30 June 2003

	NOTE	2003 \$'000	2002 \$'000
NOTE 15 (Continued)			
Future operating lease rentals not provided for in the financial statements are payable as follows:			
Due not later than one year		57	77
Due later than one year but not later than five years		-	28
Total		57	105
Maintenance Contract Commitments			
Total expenditure contracted for at balance date but not provided for in the accounts:			
Due not later than one year		83	-
Due later than one year but not later than five years		-	-
Total		83	-
NOTE 16 Statement of Cash Flows			
(i) Reconciliation of cash			
For the purposes of the Statement of Cash Flows, cash includes cash on hand and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Cash		1,612	719
Investments	7	149,183	184,046
Total		150,795	184,765
(ii) Reconciliation of operating profit with net cash provided by operating activities			
Operating (loss)/profit		(23)	645
Add/(Less) non cash items:			
Depreciation		23	25
Loss/(Profit) on disposal of assets		(24)	(2)
Other			34
Changes in assets and liabilities:			
Decrease in prepayments		1	-
(Increase) in receivables		(14,056)	(1,600)
Increase in creditors		798	133
Increase in unearned levies		3,325	5,762
Decrease in provisions		(72,706)	(115,910)
Net cash provided by operating activities		(82,628)	(110,946)

(iii) The Nominal Defendant Fund has no unused borrowing or overdraft facility



Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 17 Financial Instruments

(a) Terms, Conditions and Accounting Policies

Financial Instrument	Related Financial Statement Notes	Accounting Policies	Terms and Conditions
<u>Financial Assets</u>			
Cash on hand	16 (i)	Recorded at book value, which approximates fair value.	
Receivables levies receivable	6	Recognition – 7 days from due date. Measurement – based on levy rates fixed by regulation. Recorded at book value	Received 7 days from the due date.
interest on investments	5	Recognition – at the end of the financial year. Measurement – based on the final distribution statement provided by QIC.	Interest is normally paid in August of the following year.
Investments	7	Recognition – on the day funds are invested. Measurement – at net market value.	Can be drawn upon as when required.
<u>Financial Liabilities</u>			
Payables	9	Recognition – upon receipt of goods or services irrespective of whether an invoice has been received. Measurement – based on agreed purchase/contract costs.	Amounts are usually settled within 30 days upon receipt of invoice.

The Fund invests with the Queensland Investment Corporation (QIC). The QIC will have invested in a variety of financial instruments including derivatives which expose the Fund's investments to a variety of investment risks including market risk, credit risk, interest rate risk and currency risk.

(b) Interest Rate Risk Exposures

The Fund invests in financial assets for the primary purpose of obtaining a return on investments, to help meet the costs of the Nominal Defendant and satisfies liabilities for motor vehicle accident claims. The Fund's return on the investments will fluctuate in accordance with movements in the market interest rates.

Notes to and forming part of the financial statements
For the year ended 30 June 2003

NOTE 17 (Continued)

2003	Notes	Floating interest rate \$'000	Fixed interest rate maturing in			Non interest bearing \$'000	Total \$'000
			1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000		
Financial assets							
Cash		1,612	-	-	-		1,612
Receivables	6	-	-	-	-	43,765	43,765
Investments	7	-	-	-	-	149,183*	149,183
		1,612	-	-	-	192,948	194,560
Financial Liabilities							
Payables	9	-	-	-	-	1,619	1,619
Net Financial Assets		1,612	-	-	-	191,329	192,941
Weighted average interest rate		3.9%					
2002							
	Notes	Floating interest rate \$'000	1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000	Non interest bearing \$'000	Total \$'000
Financial assets							
Cash		719	-	-	-		719
Receivables	6	-	-	-	-	37,101	37,101
Investments	7	-	-	-	-	184,046*	184,046
		719	-	-	-	221,147	221,866
Financial Liabilities							
Payables	9	-	-	-	-	820	820
Net Financial Assets		719	-	-	-	220,327	221,046
Weighted average interest rate		3.6%					

*Investments in QIC are not classified as interest bearing as the Fund receives a distribution of profits based on the earnings of units in investments in QIC.

(c) Credit Risk Exposures

Credit exposure represents the extent of credit related losses that the Fund may be subject to on amounts to be received from financial assets. The Fund, while exposed to credit related losses in the event of non-performance by counterparties of financial institutions, does not expect any counterparties to fail to meet their obligations.



Notes to and forming part of the financial statements
For the year ended 30 June 2003

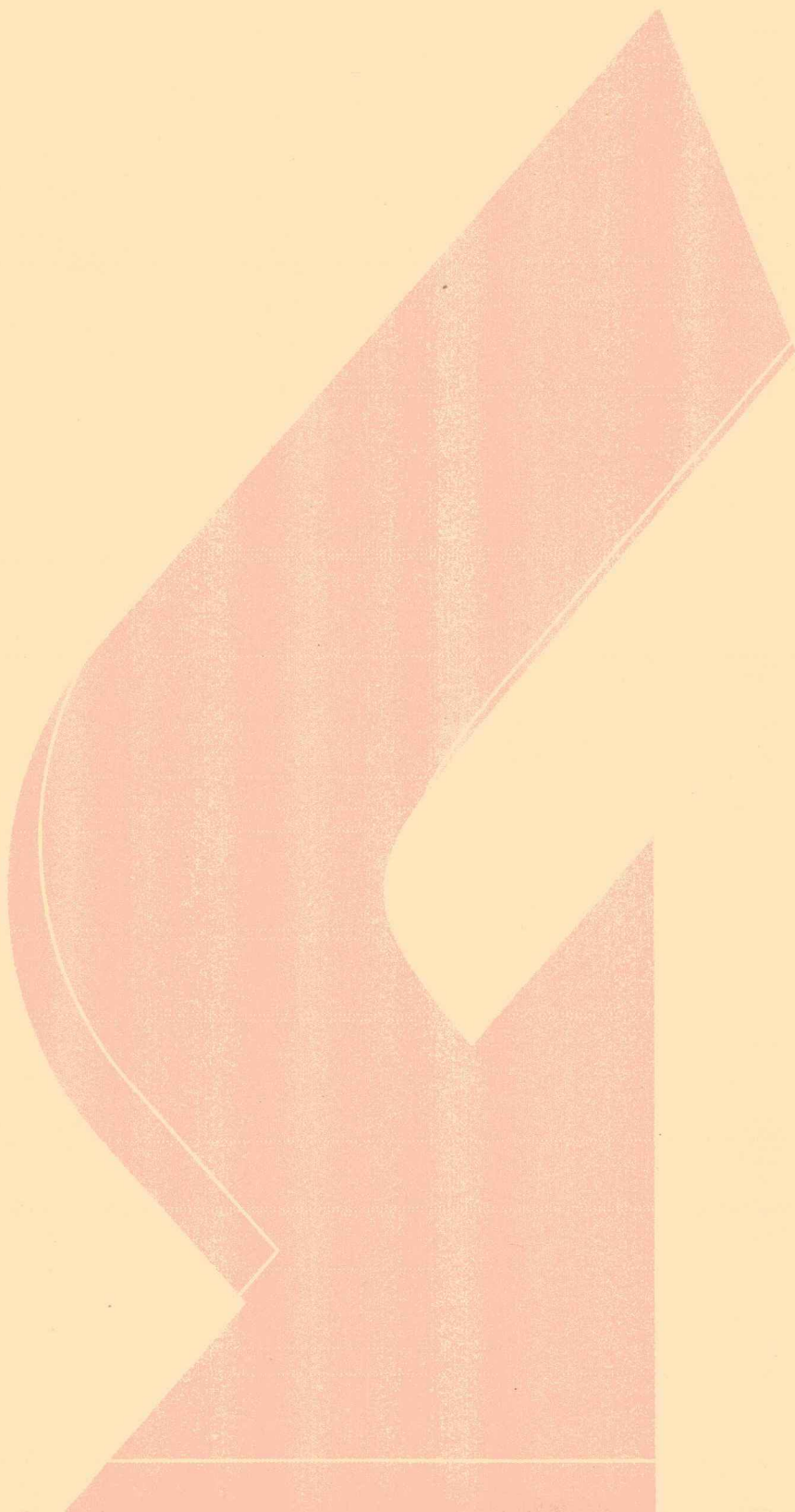
NOTE 17 (Continued)

(d) Net Fair Values

The carrying amounts of financial assets and liabilities approximate their fair values. The fair value of investments is measured at net market value based on QIC advice.

NOTE 18 Segment Information

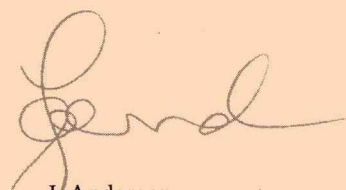
The Nominal Defendant operates in one primary and geographical segment and operates as a statutory body in the motor vehicle insurance industry in Queensland.




Certificate of the Nominal Defendant

The foregoing annual financial statements have been prepared pursuant to the provisions of the *Financial Administration and Audit Act 1977* and other prescribed requirements and we certify that-

- (a) the foregoing annual financial statements and notes to and forming part thereof are in agreement with the accounts and records of the Nominal Defendant; and
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing annual financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Nominal Defendant for the year ended 30 June 2003 and of the financial position as at 30 June 2003.


L Anderson
Insurance Commissioner


G Bott
Manager Systems and Finance

Dated: 8 September 2003

Independent Audit Report

To the Nominal Defendant

Scope

The financial statements

The financial statements of the Nominal Defendant consist of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial statements and certificates given by the Nominal Defendant and officer responsible for the financial administration of the Nominal Defendant, for the year ended 30 June 2003.

The Nominal Defendant's responsibility

The Nominal Defendant is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

As required by law, an independent audit was conducted in accordance with *QAO Auditing Standards* to enable me to provide an independent opinion whether in all material respects the financial statements present fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland

Audit procedures included -

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements,
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Nominal Defendant,
- obtaining written confirmation regarding the material representations made in conjunction with the audit, and
- reviewing the overall presentation of information in the financial statements.

Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Nominal Defendant for the financial year 1 July 2002 to 30 June 2003 and of the financial position as at the end of that year.

P J Nottingham, FCPA
Audit Manager
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Appendix 1

Actuarial Certificate – Nominal Defendant – Section 31 Claims



Actuarial Certificate on Outstanding Claims Liability as at 30 June 2003

Trowbridge Deloitte was asked by the Nominal Defendant to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities as at 30 June 2003 and to advise on an appropriate balance sheet provision for these liabilities.

The data, assumptions, approach and results of this valuation are described in detail in our report entitled "*Queensland Nominal Defendant Fund – Valuation of Outstanding Claims Liabilities as at 30 June 2003*". The advice set out in our report has been prepared in compliance with the relevant accounting standard AAS26, the tax ruling IT2663 and Professional Standard 300 of the Institute of Actuaries of Australia.

Results

The provision adopted by the Nominal Defendant as at 30 June 2003 is \$129 million. This incorporates our discounted central estimate of the outstanding claims liability allowing for future claim inflation, expected future investment income on the assets supporting the Fund's liabilities, claim handling expenses, and a prudential margin. The prudential margin adopted by the Fund allows for the risk and uncertainty associated with the estimated liability in line with the requirements under the APRA liability valuation standard.

Reliances and Limitations

In preparing our advice we relied extensively on information supplied by the Nominal Defendant. Independent verification of this information was not undertaken although it was reviewed and checked for reasonableness and consistency. Reliance was placed on, but not limited to, the accuracy of the information described in our report.

Although we have prepared estimates in conformity with what we believe to be the likely future experience, the experience could vary considerably from our estimates. Deviations from our estimates are normal and are to be expected.

Estelle Pearson

Loan-Anh Nguyen

Fellows of the Institute of Actuaries of Australia



Actuarial Certificate on Outstanding Claims Liability as at 30 June 2003

Trowbridge Deloitte was asked by the Nominal Defendant to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities in respect of the FAI runoff as at 30 June 2003, and to advise on an appropriate balance sheet provision for these liabilities.

The data, assumptions, approach and results of this valuation are described in detail in our report entitled "*Queensland Nominal Defendant Fund - Valuation of Outstanding Claims Liabilities for FAI Run-Off as at 30 June 2003*". The advice set out in our report has been prepared in compliance with the relevant accounting standard AAS26, the tax ruling IT2663 and Professional Standard 300 of the Institute of Actuaries of Australia.

Results

The provision adopted by the Nominal Defendant as at 30 June 2003 is \$216 million. This incorporates our discounted central estimate of the outstanding claims liability allowing for future claims inflation, expected future investment income on the assets supporting the Fund's liabilities and claim handling expenses. No prudential margin is included in the estimate.

Reliances and Limitations

In preparing our advice we relied extensively on information supplied by the Nominal Defendant. Independent verification of this information was not undertaken although it was reviewed and checked for reasonableness and consistency. Reliance was placed on, but not limited to, the accuracy of the information described in our report.

We have assumed for the purpose of our estimates that all reinsurance recoveries under the treaties covering FAI's Queensland CTP, as well as sharing recoveries on this portfolio will be fully recoverable.

Although we have prepared estimates in conformity with what we believe to be the likely future experience, the experience could vary considerably from our estimates. Deviations from our estimates are normal and are to be expected.

Estelle Pearson

Loan-Anh Nguyen

Fellows of the Institute of Actuaries of Australia

Appendix 3

Information Sources



Publications

The Commission has the following publications available to the public at no charge:

- The Motor Accident Insurance Commission Annual Reports
- Work Training Guidelines for CTP Rehabilitation Providers
- MAIC Guidelines for CTP Rehabilitation Providers
- Review of Queensland Compulsory Third Party Insurance Scheme 1999
- Mitigating State Government Risk in Compulsory Third Party Insurance February 2002
- Mitigating State Government Risk in Compulsory Third Party Insurance, Phase Two Paper released December 2002

Website

The publications listed are also available on-line at the Commission's Website (www.maic.qld.gov.au) along with the following information:

- CTP Claims Information
- Information on the CTP premium setting process
- Forms for claimants, legal practitioners and medical practitioners
- Information for medical practitioners, rehabilitation providers, and legal practitioners
- Guidelines and information for insurers
- MAIC Funding initiatives

Community Participation in Policy-Making

The Commission operates a Helpline which is accessible free of charge to the Queensland public. The Helpline staff assist the public in understanding the operations of the CTP insurance scheme in Queensland and record complaints about the scheme and suggestions on how the scheme could be improved. The Helpline number is 1300 302 568.

The Commission is involved in regular discussions with motoring organisations, licensed CTP insurers, the legal profession, and the medical and allied health professions to ensure the scheme operates effectively and is modified when necessary.

The major Review in 1999 involved wide consultation, with the Review Committee travelling to a number of major Queensland regional centres to conduct public meetings. An Issues Paper and a Draft Report were available to the public. Information on the Commission and the CTP Scheme are available on the MAIC website at www.maic.qld.gov.au

Freedom Of Information (FOI)

Requests for general and publicly available documents may be made by telephoning (07) 3227 8088. Some documents may be restricted owing to personal privacy issues, or confidentiality requirements if the document is considered commercially sensitive.

FOI requests are handled by the Insurance Commissioner in the case of the Commission and by the Nominal Defendant for documents held by the Nominal Defendant.

How to obtain documents:

1. Ask if the document you require is publicly available.
2. Identify the documents you require. Where the request involves general information or a large number of documents, it is preferable to discuss the issue with the Commission or the Nominal Defendant to identify what is required.
3. To assist in the process, the request should also state the type of access sought, (inspection of the document or a copy of the document).
4. Applications must be in writing, state an address to which a notification of the decision may be sent, and be accompanied by an application fee of \$32.50 if the request relates to matters which are not of a personal nature relating to the applicant.
5. If the document to which access is sought relates to the applicant's personal affairs, the applicant must supply proof of identification. No application fee or copy charge applies to such documents.
6. A \$20 per hour processing charge applies to access all non-personal information. This is in addition to the \$32.50 application fee. Photocopies of documents regarding a non-personal application are available at twenty cents per photocopied page.
7. The FOI Act specifies time limits within which applications are dealt with and provides an applicant with the right of review should the applicant not be satisfied that his/her application has been dealt with in accordance with the Act.

Appendix 4

Compulsory Third Party Insurers


Licensed Compulsory Third Party Insurers (as at 30 June 2003)

Allianz Australia Insurance Limited
(formerly MMI General Insurance Limited and incorporating FAI Allianz Limited)
GPO Box 1028
Brisbane Qld 4001
Ph 1300 655 663
ABN 15 000 122 850

Australian Associated Motor Insurers Limited
GPO Box 1155
Brisbane Qld 4001
Ph 13 22 44
ABN 92 004 791 744

NRMA Insurance Limited
GPO Box 5730
Brisbane Qld 4001
Ph 1800 244 013
ABN 11 000 016 722

QBE Insurance (Australia) Limited
GPO Box 1072
Brisbane Qld 4001
Ph 1800 112 472
ABN 78 003 191 035

RACQ Insurance Limited
(trading as RACQ Insurance)
PO Box 4
Springwood Qld 4127
Ph 13 19 05
ABN 50 009 704 152

Suncorp Metway Insurance Limited
GPO Box 1453
Brisbane Qld 4001
Ph 13 11 60
ABN 83 075 695 966

Previously Licensed CTP Insurers (as at 30 June 2003)

CIC Insurance Limited
ACN 004 078 880
*Licence withdrawn 22/01/1996;
Insurer became insolvent on
15 March 2001.*

GIO General Limited
ACN 002 861 583
Licence withdrawn 30/06/1996

Mercantile Mutual Insurance (Australia) Ltd
ACN 000 456 799
Licence withdrawn 01/11/1996

Commercial Union Assurance of Australia Ltd
ACN 004 478 371
Licence withdrawn 01/03/1997

Zurich Australian Insurance Limited
ACN 000 296 640
Licence withdrawn 15/11/1997

Fortis Insurance Limited
(formerly VACC Insurance Co. Limited)
ACN 004 167 953
*Licence suspended 30/03/1999
pending withdrawal*

FAI General Insurance Company Limited
ABN 15 000 327 855
*Licence suspended on 1 January 2001;
Insurer became insolvent on 15 March 2001.*

FAI Allianz Limited
(trading as FAI Insurance)
ABN 80 094 802 525
Licence withdrawn 01/07/2002

*NB For further information regarding the above listed insurers please contact the Motor Accident Insurance Commission's CTP Helpline on 1300 302 568.

Grants and Funding



Grants from the Motor Accident Insurance Fund

	Future Commitment \$	2002/03 \$	2001/02 \$
CONROD (Including the Chair of Rehabilitation Medicine)	5,809,697	2,083,724	1,914,579
CARRS-Q	3,568,000	976,000	1,136,000
Road Accident Prevention and Road Safety – Rural & Remote Research Project	962,856	0	0
Princess Alexandra Hospital Foundation Acquired Brain Injury Outreach Services	0	0	789,673
Spinal Injury Outreach Team and Transitional Rehabilitation Program Service	0	0	1,722,223
Royal Children's Hospital Foundation Statewide Paediatric Rehabilitation Service	320,000	640,000	960,000
James Cook University Distance Education for Disabled Project	0	0	60,000
Queensland University of Technology Fellowship in Clinical Biomechanics – additional funding	0	9,063	17,992
ARC SPIRT Grant – Alcohol Ignition Interlock Project	0	0	17,439
Emergency Services – Queensland Ambulance Service Queensland Trauma Plan Project (formerly referred to as <i>Analysis and Evaluation</i> <i>of the Qld Trauma System</i>)	125,141	214,737	308,403
Injury Prevention and Control Australia Ltd Member contribution to NHRMC Partnerships in Injury Research	300,000	100,000	100,000
Griffith University Centre for Human Services	180,000	120,000#	0
Queensland Police Service Assistance for purchase of Traffic Investigation Equipment	250,000	0	0
TOTAL	11,515,694	4,143,524	7,026,309

includes 2001/02 payment delayed to 2002/03

Appendix 5 continued

Ongoing Projects Funded in Previous Years

- Central Queensland University
 - School of Psychology & Sociology – Research Project (formerly referred to as Sociology/Social Work Research Project)
- Royal Australian College of General Practitioners Research Fellowship
- Royal Australasian College of Physicians Research Fellowship
- Royal Australasian College of Surgeons Research Fellowship
- Queensland University of Technology
 - Clinical Biomechanics Research Fellowship
- University of Southern Queensland
 - Mechatronics and Biomedical Engineering Research Fellowship
- University of Queensland
 - School of Health & Rehabilitation Sciences – Research Unit (*formerly referred to as Speech Therapy/Audiology/Physiotherapy/Occupational Therapy – Research Unit*)
 - Teaching and Community Services Rehabilitation Research Fellowship

Research Centres

The two MAIC-funded research centres (CONROD and CARRS-Q) produce reports covering research conducted within the centres and research projects funded through competitive grants.

The current CONROD report relates to calendar year 2002 and is available by contacting the centre on (07) 3365 5560. The current CARRS-Q report relates to the half year ending 30 June 2003 and is available by telephoning (07) 3864 4589.

Committees as at 30 June 2003

Section 11 of the *Motor Accident Insurance Act 1994* enables the Commission to establish Advisory Committees to advise on the exercise of the Commission's statutory functions. On 19 June 2001, the Treasurer appointed the current Advisory Committee to advise on the implementation of the CTP reforms and setting of premium bands. The Committee is also advising on matters in relation to mitigating State Government risk in CTP insurance.

The structure of the current committee is:

Chairperson: Bernard Rowley
Members: Henry Smerdon, Noel Mason and Shauna Tomkins

The Advisory Committee has the benefit of long industry experience, both within government and the insurance industry; the areas of expertise of individual members being:

<i>Committee member</i>	<i>Area of expertise</i>
Bernard Rowley former CEO of Suncorp	Insurance and actuarial experience
Henry Smerdon, former Under Treasurer	Public policy, economic and financial experience
Noel Mason former CEO of RACQ	Insurance and motoring organisations
Shauna Tomkins formerly with the Australian Financial Institutions Commission	Financial system regulatory experience

From 1 July 2002 to 30 June 2003, a total of 31 meetings of the Advisory Committee were held, in addition to 8 occasions of special assignments. The total remuneration to the Committee for the year was \$44,179. These payments were made within the framework of the Government's *Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities* arrangements administered by the Department of Industrial Relations.

Contact Details

Motor Accident Insurance Commission

Address: Level 18 – 288 Edward Street, Brisbane Qld
 Postal Address: GPO Box 1083, Brisbane Qld 4001
 Ausdoc: DX 147 Brisbane Qld
 Telephone: 07 – 3227 8088
 Facsimile: 07 – 3229 3214
 E-mail: maic@maic.qld.gov.au
 Website: www.maic.qld.gov.au

Insurance Commissioner
 Deputy Insurance Commissioner
 Executive Secretary
 Reception/ Administrative Assistant
 Project Officer
 Temporary Project Officer
 Manager, Systems and Finance
 Acting Senior Analyst, Premium & Licensing
 Senior Finance Officer
 Finance Officer
 Policy Officer, Systems and Finance
 Information Technology Support
 Assistant Manager, Research & Compliance
 Industry Liaison Officer
 Research and Compliance Officer (P/T)
 Research and Compliance Officer (P/T)
 Data Analyst
 Manager, Policy and Liaison
 Senior Policy Officer
 Manager, Injury Management & Claims
 Policy Adviser, Injury Management & Claims
 Policy Adviser, Injury Management
 Client Services Officer
 Client Services Officer

Lesley Anderson	07 – 3227 8105
John Hand	07 – 3227 8125
Julie Ecimovic	07 – 3227 7063
Esther Lewis	07 – 3227 8088
Janette Archibald	07 – 3224 4834
Natalie Pershouse	07 – 3227 4752
Greg Bott	07 – 3227 8164
Ursula Hauser	07 – 3227 7056
Tulia Koroivawai-Gauna	07 – 3224 5018
Kellie Phie	07 – 3224 4835
Debbie Davis	07 – 3224 4562
Troy Dunton	07 – 3227 8381
Wayne Saville	07 – 3234 0598
Lynne McCall	07 – 3227 8022
Lisa Hopson	07 – 3224 4849
Sherri Robinson	07 – 3224 4849
Beth Sanders	07 – 3234 0598
Neil Tomkins	07 – 3227 8242
Melissa Pignolet	07 – 3224 4383
Kim Birch	07 – 3227 8162
David Vincent	07 – 3234 0596
Cathy Pilecki	07 – 3224 5002
Kevin Lee	07 – 3227 8432
Mark Cowling	07 – 3227 8250

Nominal Defendant

Address: Level 18 – 288 Edward Street, Brisbane Qld
 Postal Address: GPO Box 2203, Brisbane Qld 4001
 Ausdoc: DX 147, Brisbane Qld
 Telephone: 07 – 3227 7993
 Facsimile: 07 – 3221 4805
 E-mail: nd@maic.qld.gov.au

Nominal Defendant
 Manager, Nominal Defendant
 Assistant Manager, Nominal Defendant
 Claim Manager
 Claim Manager
 Claim Manager
 Claim Manager
 Claim Manager
 Assistant Claim Manager
 Assistant Claim Manager
 Administration Officer

Lesley Anderson	07 – 3227 8105
Les Kilmartin	07 – 3227 8213
Robin Lee	07 – 3227 8908
Don Sacre	07 – 3227 8284
Laurie Meteyard	07 – 3227 8354
Rex Mellifont	07 – 3227 8387
Ian Evans	07 – 3227 8359
John Foster	07 – 3227 8353
Michael Walpole	07 – 3227 8402
Katie Gilmour	07 – 3227 8412
Sandra Clifton	07 – 3227 8596

CTP Helpline

Telephone: 1300 302 568



Queensland
Government

Motor Accident Insurance Commission
www.maic.qld.gov.au

