



Motor Accident Insurance Commission

Annual Report 2021–22

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Interpreter

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Visit www.maic.qld.gov.au to view this annual report. Copies of the report are also available in paper format. To request a copy, please contact us using the details above.

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Letter of compliance and certification of financial statements

2 September 2022

The Honourable Cameron Dick MP

Treasurer and Minister for Trade and Investment

GPO Box 611

BRISBANE QLD 4001

Dear Treasurer

I am pleased to submit for presentation to the Parliament the Annual Report 2021–22 and financial statements for the Motor Accident Insurance Commission and the Nominal Defendant.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, the *Motor Accident Insurance Act 1994* and the *National Injury Insurance Scheme (Queensland) Act 2016*
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be accessed online at:
www.maic.qld.gov.au/publications/annual-report-2021–22.

Yours sincerely,



Neil Singleton
Insurance Commissioner

About us

Queensland Compulsory Third Party insurance scheme

Queensland's Compulsory Third Party (CTP) insurance scheme is governed by the *Motor Accident Insurance Act 1994* (MAI Act).

The scheme protects motor vehicle owners, drivers and passengers from being held financially responsible if they injure someone in a motor vehicle accident. It also enables people who are injured to claim fair and timely compensation for their injuries and access prompt and reasonable medical treatment and rehabilitation.

Motor vehicle owners pay their CTP insurance premium when they pay their vehicle registration through the Department of Transport and Main Roads (DTMR). DTMR remits the applicable premium to the licensed CTP insurer nominated by the motor vehicle owner. This minimises administration costs, is convenient for motorists and reduces the incidence of uninsured vehicles.

Motor Accident Insurance Commission

The Motor Accident Insurance Commission (MAIC) regulates Queensland's CTP insurance scheme.

This involves a number of important functions:

- licensing and supervising CTP insurers and monitoring their compliance
- establishing and revising standards about the proper management of claims
- keeping the statutory insurance scheme under review and making recommendations for its amendment
- developing and maintaining a claims register and statistical database for the purpose of providing management information
- fixing the range within which each insurer must file their premium and recommending to government the levies payable
- contributing funds towards research and education to reduce the number of motor vehicle crashes and facilitate rehabilitation of injured people

- maintaining a helpline service for motor vehicle owners and injured people
- administering the Nominal Defendant.

The Nominal Defendant (ND) acts as a licensed insurer in the CTP insurance scheme for claims that involve motor vehicles that are unidentified or uninsured. It also meets the claims costs associated with licensed insurers that become insolvent.

Queensland's CTP insurance scheme is complemented by the National Injury Insurance Scheme, Queensland (NIISQ) which was established on 1 July 2016. NIISQ provides necessary and reasonable lifetime treatment, care and support to people who sustain eligible serious personal injuries in motor vehicle accidents on Queensland roads, regardless of who was at fault. MAIC also has a legislative function pursuant to Chapter 5 of the *National Injury Insurance Scheme (Queensland) Act 2016* (NIISQ Act) to monitor the efficiency and effectiveness of the National Injury Insurance Agency, Queensland (NIISQ Agency) which administers NIISQ.

On 2 June 2021, the *Queensland Future Fund (Titles Registry) Act 2021* made changes to the governance arrangements of the NIISQ Agency, resulting in removal of the board and the appointment of the Insurance Commissioner as the new Chief Executive Officer responsible for management of the NIISQ Agency. In line with statutory requirements of the NIISQ Act, the NIISQ Agency is required to produce its own annual report, which can be viewed at [niis.qld.gov.au](https://www.niis.qld.gov.au).

MAIC has been located in Brisbane since it commenced operations on 1 September 1994 as a statutory body reporting to the Treasurer and is located at 275 George Street. MAIC and the Nominal Defendant are positioned within the Economics and Fiscal division of Queensland Treasury.

Our aspiration

We aspire to ensure Queensland benefits from the best CTP insurance scheme in Australia by delivering:

- affordable financial protection for motorists
- recovery for claimants
- opportunity for service providers
- economic growth and skills building in the community.

Our purpose

Our role is to:

- regulate and improve Queensland's CTP insurance scheme
- monitor and make recommendations on the NIISQ
- manage the Motor Accident Insurance and Nominal Defendant funds for the benefit of the Queensland community.

Our objectives

We aim to:

- deliver a financially sound CTP insurance scheme
- strengthen insurer supervision and compliance
- develop and promote best practice claims management
- embed insights-enabled decision making that delivers value to motorists, claimants and the CTP insurance market
- create a positive, engaged community of internal and external stakeholders.

To support the Queensland Government's objectives for the community, built around the *Unite and Recover – Queensland's Economic Recovery Plan*, we also:

- back our frontline services in key areas such as health, education and community services through reasonable funding of road trauma related public services
- invest in skills by ensuring Queenslanders have the skills they need to find meaningful jobs through investing in driver licensing initiatives and back-to-work programs.

Our opportunities

We are exploring emerging technology resulting in:

- a reduction in road trauma
- simplified motorist processes
- simplified and digitally enabled claimant processes
- increased collaboration with stakeholders resulting in broader data sets and improved data analytics
- improved reporting capabilities leading to better monitoring, insights and decision making.

Our key risks

We focus on mitigating key risks:

- failure to identify and respond to unethical practices resulting in premium increases and poor claimant experiences
- failure to identify and respond to issues of non-compliance, damaging the integrity of the scheme
- scheme failure to respond to environmental or external shocks.

Our success measures

Our success is indicated by:

- premiums are affordable and respond to change through a robust quarterly premium setting process and dynamic stakeholder engagement
- improved performance across industry measured through industry adoption of audit recommendations
- claimant benefits are greater than scheme delivery costs
- engaged stakeholders measured through the delivery of insightful reports and positive stakeholder feedback
- responsive and targeted engagement to increase stakeholder awareness and understanding of CTP insurance.

Insurance Commissioner's report

It is pleasing to report that Queensland's CTP scheme remains fair and affordable, but MAIC remains alert to a range of challenges that have required close monitoring.

Several licensed insurers have raised increasing concerns about aspects of scheme experience and broader inflationary pressures. MAIC is monitoring these closely and responding appropriately however we are also concerned that while premiums remain affordable, motorists are not seeing the benefit of competition as each quarter all insurers continue to set their premiums at the maximum allowable level.

During the year MAIC commissioned independent research with over 200 claimants. The feedback was generally positive but also identified areas for improvement that MAIC is now actioning, notably – accessing early treatment and rehabilitation, speeding up access to compensation, improving understanding of the overall claim process, and improving levels of customer service by insurers. The compensation regime itself is sound, the opportunities are focused on improving the processing of claims within that regime.

MAIC has also remained focused on delivering our key initiatives:

- exploring ways to improve First Peoples claim experience and road safety initiatives
- enhancing digital claim processes to help simplify and speed up overall claims processing
- investing in research and initiatives to reduce the incidence and effects of road trauma
- maintaining our strong focus on protecting the scheme against the insidious practices of claim farmers.

Over the coming year we will continue to progress these key activities as well as looking at delivering the next stage of the MAIC and Nominal Defendant innovation roadmap and identifying broader opportunities to improve scheme performance.

The MAIC and NISQ teams are now co-located, representing an exciting step in helping us deliver the best of both opportunities under the banner 'Walking Together', especially where injured people have claims against both the CTP scheme and the NISQ scheme.

My thanks to everyone at MAIC and the Nominal Defendant for their sustained commitment throughout the course of the year.



Neil Singleton
Insurance Commissioner

Report card

Highlights	Performance indicators target outcome	Target	Outcome
<i>Objective 1. Deliver a financially sound CTP insurance scheme</i>			
Maintain an affordable and efficient scheme for Queenslanders	<ul style="list-style-type: none"> Highest annual CTP premium for Class 1 vehicles (cars and station wagons) as a percentage of average weekly earnings Premium bands and levies set within legislative timeframes Premium bands set at a level to ensure scheme viability 	<45% 100% 100%	21.4% ¹ 100% 100%
Deliver customer focused, digitally enabled services	<ul style="list-style-type: none"> The Digital Innovation and Improvement program delivered significant claim portal usability improvements for insurers. 	Achieved	Achieved
<i>Objective 2. Strengthen insurer supervision and compliance</i>			
Embed a dynamic insurer supervision regime	<ul style="list-style-type: none"> Delivered 21/22 schedule of audits and reviews Refined insurer compliance reporting processes and tools Worked with insurers to improve PIR data quality Soundness of prudential regime maintained 	Achieved Achieved Achieved Achieved	Achieved Achieved Achieved Achieved
<i>Objective 3. Develop and promote best practice claims management</i>			
Focus on the prevention of unethical practices, through monitoring and investigating claim farming (car crash scamming) and fraud	<ul style="list-style-type: none"> Worked with affiliated law firms to develop video-based fraud training packages to be rolled out 2022/23. Continued MAIC claim farming investigations and commenced proceedings 	Achieved Achieved	Achieved Achieved
Encourage best practice claims management through the implementation of clear standards and guidelines for insurers	<ul style="list-style-type: none"> Released updated guidelines and standards for CTP insurers relating to rehabilitation, reasonable and appropriate decision making, and contacting legally represented claimants. Percentage of Nominal Defendant managed claims finalised compared to the number outstanding at the start of the financial year Percentage of Nominal Defendant claims settled within two years of compliance date² Percentage of Nominal Defendant claims with general damages paid within 60 days of the settlement date 	Achieved 50% 50% 95%	Achieved 54.8% 62.1% 95.3%
<i>Objective 4. Embed insights enabled decision making that delivers value to motorists, claimants and the CTP insurance market</i>			
Continue to improve data analytics capability and use it to make informed decisions	<ul style="list-style-type: none"> Continued evidence-based data shared through publication of quarterly and annual CTP Scheme Insights reports Improve stakeholder knowledge and timeliness in decision making by optimising existing PowerBI reports which meet their needs 	Achieved Achieved	Achieved Achieved
Targeted investment on identified research and grants	<ul style="list-style-type: none"> Continued to invest in research and grant priorities which deliver scheme benefits CARRS-Q contract was renewed for another three years at \$3,750,000 	Achieved Achieved	Achieved Achieved
<i>Objective 5. Create a positive engaged community of internal and external stakeholders</i>			
Improve community understanding of CTP insurance	<ul style="list-style-type: none"> Percentage of motorists who understand that CTP covers injuries caused from vehicle accidents Engaged with First Peoples' health and community services providers and community members to improve understanding of CTP insurance 	New measure Achieved	65% Achieved
Provide a flexible, safe and respectful workplace where our people have the knowledge, tools and skills to fulfill their roles	<ul style="list-style-type: none"> Percentage of staff who identified that training they completed improved their performance Percentage of staff who were able to access relevant learning and development opportunities Continued to promote flexible work practices, support arrangements and other practices to help staff through pandemic and emergency situations 	80% 78% Achieved	91% 94% Achieved

Notes: 1. The average Affordability Level for the 2021–22 financial year is 21.4%. The Affordability Level as at 30 June 2022 is 21.3%.
2. Claims can take two to three years to settle; consequently, it is difficult to estimate the number of claims that will be finalised in any given period.

Levies and administration fee

Queensland's CTP insurance premium contains levies and an administration fee to help cover the costs involved in delivering different components of the CTP insurance scheme. These levies and administration fee are calculated annually and include:

- the statutory insurance scheme levy
- the Nominal Defendant levy
- the hospital and emergency services levy
- the National Injury Insurance Scheme, Queensland levy
- an administration fee.

In setting these levies, advice is sought from the receiving agencies and the State Actuary's Office.

Statutory insurance scheme levy

The statutory insurance scheme levy covers the estimated operating costs of administering the MAI Act and also provides funding for research into accident prevention and injury mitigation. From 1 July 2021, the levy remained unchanged at \$1.50 per policy and the levy collected \$7.1 million in 2021–22.

Nominal Defendant levy

The Nominal Defendant levy varies by vehicle class and covers the estimated costs of the Nominal Defendant scheme which provides funds to pay for claims relating to uninsured (unregistered) or unidentified vehicles. The levy is set having regard to an actuarial assessment of claim trends. From 1 July 2021, the levy for Class 1 vehicles remained unchanged at \$8 with \$36.4 million collected in 2021–22.

Hospital and emergency services levy

The hospital and emergency services levy covers a reasonable proportion of the estimated cost of providing public hospital and public emergency services to people who are injured in motor vehicle crashes, who use such services and who are claimants or potential claimants under the CTP insurance scheme. The levy amount calculated varies

by vehicle class. From 1 July 2021, the hospital and emergency services levy increased by 25 cents to \$18.40 for a Class 1 vehicle. The collected income from the levy for the financial year was \$83.9 million of which \$71.3 million was apportioned to Queensland Health, \$2.8 million to Queensland Fire and Emergency Services (QFES) and \$9.8 million was allocated to Queensland Police Service (QPS). Collecting the levy in this way removes the need for hospitals and emergency services to issue invoices to CTP insurers for each treatment provided to victims of road crashes. This saves significant administration burden for service providers and licensed CTP insurers.

National Injury Insurance Scheme, Queensland levy

The National Injury Insurance Scheme Queensland levy (NIISQ levy) varies by vehicle class and covers the estimated costs of the NIISQ which provides necessary and reasonable lifetime treatment, care and support to people who sustain eligible serious personal injuries in motor vehicle accidents in Queensland. The NIISQ levy increased to \$103.30 for a Class 1 vehicle in 2021–22 and collected \$508.3 million.

Administration fee

The administration fee is the fee payable to the Department of Transport and Main Roads for delivering administrative support for the CTP insurance scheme. The administration fee was \$8.60 per policy in 2021–22 and collected \$40.1 million.

Premium levy and fee collection

1 July 2021 to 30 June 2022

Description	\$ ('000)
Total insurance premiums collected*	1,753,421
Nominal Defendant levy	-36,380
Statutory insurance scheme levy	-7,099
Hospital and emergency services levy [^]	-83,863
Administration fee (Transport fee)	-40,138
NIISQ levy ⁺	-508,266
Insurer's premiums [#]	1,077,675

Notes: * Net of cancellations.

[^] From 1 July 2016, emergency levies collected were remitted separately to relevant entities. In the past the emergency levies were remitted as one payment.

⁺ National Injury Insurance Scheme Queensland levy.

[#] Includes GST.

Levies received for the period 1 July 2021 to 30 June 2022 are on a cash basis.

Achievements

Combating car crash scammers

CTP scheme amendments were introduced in 2019 to proactively address the insidious practice of car crash scamming (also known as 'claim farming'), where people are harassed and pressured into pursuing a CTP claim. Two years on, those reforms are continuing to prove effective.

Car crash scamming complaints from Queensland motorists have continued to trend down from more than 1,300 complaints in 2019, with 295 car crash scams being reported in 2021–22. Our team actively investigates these complaints and will prosecute where appropriate.

In an Australian first, on 19 May 2022 the MAIC commenced prosecution proceedings for various alleged claim farming offences.

We are committed to preserving the rights of genuinely injured people and the integrity of the Queensland CTP scheme, which is widely regarded as one of the most stable and affordable in the country.

Possible instances of car crash scamming activity is reported by a variety of stakeholders for MAIC investigation. Queenslanders can play their part by hanging up and reporting car crash scammers at maic.qld.gov.au/hangup.

Preparing for cooperative and automated vehicles

Cooperative and highly automated vehicles have been trialled for use on Queensland roads. We partnered with the Department of Transport and Main Roads and the Queensland University of Technology to implement and evaluate these cutting-edge technologies.

Australia's largest public cooperative vehicle trial ran in Ipswich over 12 months and was completed in September 2021. 355 participants used their own vehicles, with specialised vehicle stations installed in each car. Communications with roadside infrastructure and cloud systems allowed the vehicle stations to deliver enhanced safety warnings to drivers via audio and visual alerts, such as an

advanced red light warning. The data gathered has been the subject of robust study, confirming the expected safety benefits. Data across the eight safety cases tested showed adoption of this technology in all cars would yield a 20 per cent reduction in fatal and serious injuries.

A related initiative, the Cooperative and Highly Automated Driving Pilot, is trialling automated vehicles. A prototype highly automated vehicle, ZOE2, has been demonstrated on Queensland roads in Logan, Ipswich, and Bundaberg. 197 Queenslanders experienced a ride in ZOE2, in full self-driving mode. Testing automated vehicles in both urban and regional areas is imperative to ensure they can operate safely on our roads as adoption increases on Queensland's road network.

Improving the experience of managing CTP insurance claims

Our focus on enhancing the claims experience for people lodging claims, their legal representatives, and industry stakeholders has continued to evolve. In 2021–22 we were able to work with stakeholders to understand their different needs when accessing claims information on our website and improve the user experience for those managing CTP insurance claims.

The Queensland CTP claim portal now allows each law firm to control the registration and access of their own staff members. Each law firm can register as a business in the QLD CTP claim portal and create their own internal workgroups. The new improvements allow the law firm to internally control the portal registration of their staff members and assign staff to appropriate workgroups, allowing members to view, edit and submit forms created in that workgroup.

This tool was co-designed with stakeholders embracing the latest technology to more easily and promptly guide people through their journey to recovery. Visit maic.qld.gov.au to learn more.

Improving outcomes for First Peoples

During 2021–22, we have continued to work towards our goal of ensuring the Queensland CTP scheme is safe, respectful and accessible to all people injured in motor vehicle accidents. We continue to consult with Elders, key stakeholders and community groups to build cultural and CTP scheme understanding and to improve our services for First Peoples.

This financial year we:

- attending a series of engagements and meetings in Yuganbeh Country on the Gold Coast to build community awareness of how to access CTP insurance
- continuing to provide support for Griffith University to explore First Peoples and CTP insurance
- continuing to provide support towards Police Citizens and Youth Welfare Association (PCYC's) pilot of 'Changing Gears', a First Peoples specific adaption of the 'Braking the Cycle' learner driver mentor program. This pilot will occur in Napranum and if successful will open up opportunities to potentially apply this program in other key remote and regional Queensland communities.
- continuing to distribute brochures and posters featuring artwork that brings the Queensland CTP insurance story to life to highlight the importance to drive safe and drive deadly. These free resources continue to be used by partners across Queensland to promote greater awareness of CTP insurance and to help First Peoples get strong again if they have been impacted by a car crash.

The free suite of First Peoples resources is available at maic.qld.gov.au/for-drivers/first-peoples-ctp

Managing Nominal Defendant claims prudently

The Nominal Defendant continues to deliver important protection for Queensland road users who are injured by an unidentified or uninsured vehicle. Nominal Defendant claims require a particularly stringent approach to claims management, especially where the involvement of an unidentified vehicle is alleged. The Nominal Defendant has strived in support of MAIC to enhance the experience of claimants, and their legal representatives, throughout the claims experience. Members of the Nominal Defendant team have worked closely with the development of the online claim process. Sharing their comprehensive knowledge of the claims process as well as rehabilitation services, the Nominal Defendant is excited to be a part of this innovation that aims to improve customer experience. Over the past decade, the Nominal Defendant levy paid by all motorists has decreased or remained stable evidencing the efficiency of the Nominal Defendant Fund.

Monitoring the NIISQ

In accordance with our obligations under the *National Injury Insurance Scheme (Queensland) Act 2016* we monitor the efficiency and effectiveness of the NIISQ Agency, Queensland which administers the NIISQ. The National Injury Insurance Agency, Queensland (NIISQ Agency) assesses, decides and funds necessary and reasonable lifetime treatment, care and support for people who sustain an eligible serious personal injury in a motor accident in Queensland, on or after 1 July 2016.

The cost of administering NIISQ during 2021–22 was \$446.22 million. As at 30 June 2022, NIISQ has 441 interim and lifetime participants. Further information about NIISQ and NIISQ Agency's operations can be found in the NIISQ Agency Annual Report.

Investing in road safety and rehabilitation

Institution	Title
University of Sunshine Coast	<ul style="list-style-type: none">• Road Safety Research Collaboration• Drug Driving Unit
Queensland University of Technology	<ul style="list-style-type: none">• Centre for Accident Research and Road Safety
Griffith University	<ul style="list-style-type: none">• First Peoples and CTP Initiative• Apollo Tourism
Police Citizens and Youth Welfare Association	<ul style="list-style-type: none">• Support operations of 'Braking the Cycle' learner driver mentor program• Pilot 'Changing Gears' in the Napranum community
Queensland Trucking Association	<ul style="list-style-type: none">• Driving monitoring pilot
Department of Transport and Main Roads	<ul style="list-style-type: none">• Transport Academic Partnership
Transport New South Wales	<ul style="list-style-type: none">• MotoCAP motorcycle safety gear ratings
Sunshine Coast Council	<ul style="list-style-type: none">• Study on reducing rear-end collisions
Gold Coast City Council	<ul style="list-style-type: none">• Analytics pilot study

Prevention of road crashes

We support a range of research and education activities contributing to an effective CTP insurance scheme. Investments range from targeting the prevention of road crashes to facilitate a corresponding reduction in claims, through to initiatives focused on improving the treatment, care and rehabilitation of those injured in road trauma.

During 2021–22, negotiations were concluded with Queensland University of Technology in relation to extending funding to the Centre for Accident Research and Road Safety Queensland (CARRS-Q). A three-year funding extension was provided from 1 January 2022 to allow this centre to continue its road safety research program. Established in 1996 as a joint initiative between MAIC and QUT, this funding extension will bring this collaboration to over 25 years. Recognised on an international scale, CARRS-Q has delivered the evidence base to support many important road safety policies in Queensland such as the introduction of alcohol interlocks, motorcycle training reforms, autonomous and cooperative vehicle technologies and commissioning of a driving simulator to facilitate important off-road research. We look forward to what this collaboration can continue to deliver over the next three years.

During this financial year, our project with Gold Coast City Council, which was focused on the piloting of a comprehensive traffic safety analysis platform to provide enhanced road safety insights, particularly around near misses, was successfully finalised. This pilot confirmed a number of areas for potential enhancement at the selected sites as a means of reducing crash risk. On the basis of this, Gold Coast City Council have recently committed to expanding use of this technology to a further 20 different locations within their jurisdiction. This will provide an additional information source for use in terms of future planning to mitigate crash risk and as a tool to influence road safety infrastructure investment.

We also continue to work closely with the Department of Transport and Main Roads and the Queensland Police Service as the lead government agencies for road safety on areas of mutual benefit. Active collaborations include the development of a new campaign focused on motorcycles, funding for targeted road safety enforcement and the expansion of automatic number plate recognition technologies to detect unregistered vehicles.

Maximising recovery

Institution	Title
University of Queensland	<ul style="list-style-type: none"> • Recover Injury Research Centre • Whiplash Clinical Pathway • Sleep studies in children with traumatic brain injuries • Older drivers and GPs assessment pilot study
Griffith University	<ul style="list-style-type: none"> • The Hopkins Centre • Spinal Injury Project • BioSpine Project
Queensland University of Technology	<ul style="list-style-type: none"> • Data Linkage Fellowship • Road Trauma Modelling
Metro North Hospital and Health Service	<ul style="list-style-type: none"> • Jamieson Trauma Institute • Associate Professor Cliff Pollard Trauma Fellowship
Metro South Hospital and Health Service	<ul style="list-style-type: none"> • Acquired Brain Injury Transitional Rehabilitation Service
Spinal Life Australia	<ul style="list-style-type: none"> • Back2Work Vocational Rehabilitation Program
Queensland Brain Institute	<ul style="list-style-type: none"> • Senior Research Fellowship in Traumatic Brain Injury
Children's Health Foundation	<ul style="list-style-type: none"> • Chair of Paediatric Rehabilitation
Emergency Medicine Foundation	<ul style="list-style-type: none"> • Trauma research in rural, remote and regional Queensland
Bionics Queensland	<ul style="list-style-type: none"> • 2021 and 2022 Bionics Challenge
Prince Charles Hospital Foundation	<ul style="list-style-type: none"> • Intensive care of the Future pilot

The activities we supported in rehabilitation research reflect the spectrum of injuries that can result from road crashes, from musculoskeletal injuries through to severe and lifelong injuries including spinal cord and brain injuries. In addition, we fund research that focuses on improving healthcare from point of injury, through to emergency department, hospital care, and community-based rehabilitation services.

A highlight of this year was confirmation of recurrent funding for the Acquired Brain Injury Transitional Rehabilitation Service at the Princess Alexandra Hospital to become a permanently health funded statewide service. MAIC provided the initial five-year pilot funding to establish this service and allow a business case around its efficacy to be developed. Centered on maximising outcomes and increasing the level of independence for adults with brain injury, through targeted therapeutic support post hospital, this model proved to be highly successful in terms of delivering outcomes for numerous adults with brain injuries. With road trauma being a leading cause of traumatic brain injuries, the permanency of this service will be of significant benefit to injured motorists, CTP claimants, their families and carers, MAIC and Queensland Health.

We also entered into a new collaboration with the Prince Charles Hospital Foundation. As a result of this, funding has been provided towards a pilot project, which will focus on redesign of the Intensive Care Unit, as a means of measuring its efficacy in terms of enhancing patient experience and assisting clinicians in providing the best care possible. With road trauma becoming a common cause of admissions to Intensive Care, any enhancements realised will have flow on benefits to claimants in the Queensland CTP scheme.

Governance

Our people

We strive to create a positive workplace environment where our people are engaged, committed and highly capable. Employees remained agile in 2021–22 with COVID-related restrictions reduced, vaccination requirements implemented and successful flexible working arrangements continuing.

During the year, our employees moved to a new location, with minimal work interruptions and consistent support provided simultaneously to our stakeholders.

Employees were also provided with the opportunity to participate in various cultural training programs and attend a smoking ceremony correlating with the move to the new work location.

The health and wellbeing of our team is essential and during 2021–22 we emphasised the importance of an appropriate work-life balance and supported flexible workplace practices. We further supported our employees through strong employee performance management and development programs, regular check-ins, through the Working for Queensland survey, and workplace health and safety strategies.

We met our obligations under the *Public Service Ethics Act 1994* by ensuring our staff completed Treasury's suite of online training modules, including modules related to the Code of Conduct and Human Rights. The online training package is rolled out to all new staff.

Our employee expenses and key executive management personnel and remuneration information can be found in the Financial Information (page 20 for MAIC, and page 46 for the Nominal Defendant). To see MAIC's workforce profile, including full-time equivalent (FTE) staff and permanent separation rate, view the annual report of Queensland Treasury.

Our values

We align our behaviour and operations with the five Queensland public service values:

Customers first

- Know your customers
- Deliver what matters
- Make decisions with empathy

Ideas into action

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries

Unleash potential

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback

Be courageous

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency

Empower people

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

Human Rights

As part of our commitment to furthering the objectives of *Queensland's Human Rights Act 2019*, we:

- completed Human Rights Certificates to accompany amendments to the *Motor Accident Insurance Regulation 2018*
- ensured all new staff learnt about their human rights obligations via our employees induction and orientation programs
- delivered complaints management training to the Nominal Defendant
- maintained a process to consider whether an individual's human rights have been affected directly or indirectly when assessing a complaint about a decision made by MAIC or the Nominal Defendant
- embedded a commitment to human rights into our strategic and operational plans
- continued our work with the First Peoples' initiative to support Aboriginal and Torres Strait Islander peoples through the CTP claims process and related road safety initiatives
- continued our focus on employee health, safety, wellbeing and human rights by supporting flexible work arrangements for employees
- participated in Queensland Treasury's Legislative Community of Practice with a key objective of the group being to continue embedding human rights across the wider organisation
- circulated the Queensland Human Rights Commission Training Bulletins and the Human Rights Policy and Legislation Network Newsletter issued by the Department of Justice and Attorney-General across the organisation.

No human rights complaints were received during the reporting period 2021–22.

Our leadership team

The Insurance Commissioner sets the direction for MAIC, the Nominal Defendant, and National Injury Insurance Scheme Queensland (NIISQ) and reports to the State Parliament through the Treasurer and Minister for Trade and Investment.

In mid-2021, as a result of the *Queensland Future Fund (Titles Registry) Act 2021*, NIISQ was placed under the stewardship of the Insurance Commissioner, who now also acts as Chief Executive Officer for the NIISQ Agency.

He is supported by the leadership team, which includes General Manager Motor Accident Insurance Commission; Director Finance, Risk and Assurance; Director People, Communication and Policy; Director Analytics; and General Manager, Innovation and Delivery.

Our leadership team is responsible for setting the strategic direction of MAIC, the Nominal Defendant, and NIISQ overseeing operational performance, determining operation policy and project management.

The leadership team supports the Insurance Commissioner, as the accountable officer, to meet legislative requirements and accountabilities as well as identify and manage key areas of risk. As at 30 June 2022, the leadership team comprised of:

Neil Singleton

*Insurance Commissioner
B. Business (Insurance), MBA*

Neil was appointed as Insurance Commissioner in December 2010. Neil has over 30 years of insurance experience across a broad range of management and executive positions. Neil's responsibilities include providing strong strategic leadership to ensure a viable, affordable and equitable CTP insurance scheme in Queensland.

David Vincent

General Manager Motor Accident Insurance Commission

Appointed in 2002, David has over 25 years' insurance experience including roles in personal injury claims management and underwriting, along with positions involving insurance regulation and government policy development. David is responsible for leading the strategic management of the Nominal Defendant claims unit, the supervision of licensed insurer claims management compliance and performance and managing claims related legislative functions.

Anh Bui

*Director Finance, Risk and Assurance
B. Bus, LLB, FGIA, CPA*

Anh joined the NIISQ Agency as Director Finance, Risk and Assurance in November 2021, and is passionate about leading teams and providing public value through quality services. She is responsible for leading diverse teams across a broad range of strategic and operational functions including financial control, budgeting, procurement, governance and risk management.

As a qualified accountant and governance professional, Anh has over 20 years' experience in financial services, is a member of CPA Australia and has also been admitted to the legal profession.

Anh is a Fellow of the Governance Institute of Australia and is currently completing the Executive Master of Public Administration with ANZSOG.

Vicki Vanderent

*Director People, Policy and Communication
B. Business, MBA, Grad. Cert Business (Behavioural Economics)*

Appointed in 2006, Vicki leads the People, Policy and Communication functions for MAIC and NIISQ Agency.

Together with her team, Vicki strives to improve employee and participant experience and provide strategic and administrative policy support. With a passion for culture and community, Vicki loves to co-create experiences to support people to learn, grow and thrive.

Vicki has more than 20 years' experience across government, university and private sectors.

Youyou Luo

Director Analytics

B. Actuarial Studies, PhD (Finance)

Youyou leads the MAIC and NIISQ Agency's data analytics, levies advice, business intelligence and scheme reporting functions. She has a research background and has worked in data analytics roles across government organisations including transport, education and human services.

Youyou is passionate about turning data into insights that inform government policy, decision making and service delivery.

Peter How

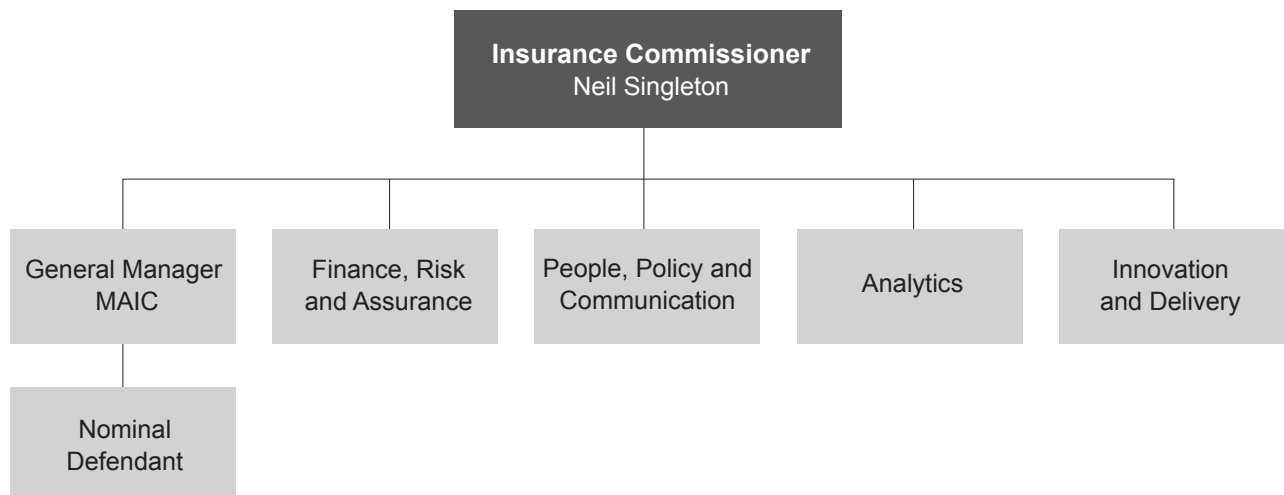
General Manager, Innovation and Delivery

Dip (Proj Mgt), B. Comm, Grad Dip (Commercial Computing), MBA, MAICD

Peter has comprehensive Executive Leadership experience in government and private enterprise across a range of industries with a particular focus on innovation and incubation, organisational performance, agility and growth. He is also a qualified company director and board advisor.

Peter's energy, enthusiasm and ability are readily on show as leader of MAIC's Innovation and Delivery team.

Organisational Structure



Risk management

We are committed to effective risk management and have adopted Queensland Treasury's framework for proactively identifying, assessing and managing risks. Our risk management approach ensures:

- we meet our statutory responsibilities under the MAI Act, the NISQ Act and other legislation
- risk management is integrated into organisational activity
- corporate governance processes, including systems of internal control, are assessed and enhanced.

Everyone in MAIC and the Nominal Defendant is responsible for managing risk. A robust risk management framework is integrated into all Treasury business activities and systems; and our leadership team is accountable for risks that may affect our ability to achieve our strategic objectives. Risks are managed through our corporate governance framework providing the foundation for effective decision-making, sound management and clear accountability.

A risk register is maintained and reviewed by the leadership team biannually. Risks are monitored with risk controls and treatment strategies assigned to risks where appropriate. Treasury's Executive Leadership Team reviews the MAIC risk register from a consolidated Treasury perspective and MAIC has external auditors which review the register annually. Our commitment to business continuity management ensures continuity of key business services which are essential for or contribute to the achievement of our objectives.

We participate in Treasury-wide risk and accountability management through representation on the Audit and Risk Management Committee. We also have an active Internal Audit program in place provided by the Treasury Internal Audit function.

Audit and Risk Management Committee

Insurance Commissioner, Neil Singleton, is a representative on Treasury's Audit and Risk Management Committee.

The Audit and Risk Management Committee (ARMC) supports Treasury's accountable officer – the Under Treasurer – to meet the responsibilities under the *Financial Accountability Act 2019 (QLD)*, the *Financial and Performance Management Standard 2009* and other prescribed requirements.

The role of the committee is to provide independent assurance and assistance to the Under Treasurer on Treasury's risk and control frameworks and external accountability responsibilities as prescribed in the relevant legislation and standards.

The committee also provides oversight for select Treasury related entities that sit within Treasury's broader portfolio (but prepare independent financial statements) which in 2021–22 included the MAIC and the Nominal Defendant.

2021–22 Audit and Risk Management Committee

Chair:

Independent member

Members:

- Assistant Under Treasurer, Social Policy
- Insurance Commissioner
- Commissioner and Registrar, Queensland Revenue Office
- Independent member and finance expert

The Under Treasurer, Deputy Under Treasurer, Social, Intergovernmental and Corporate, Head of Corporate, Chief Finance Officer (CFO), Chief Risk Officer, Queensland Audit Office (QAO) and Internal Audit (including Head of Internal Audit) have standing invitations as observers to attend all ARMC meetings. Treasury officers are invited to attend meetings as required.

Key achievements for 2021–22

In 2021–22, the ARMC met five times and fulfilled its responsibilities in accordance with its charter and approved work plan. Key achievements included:

- endorsing the 2020–21 financial statements for Queensland Treasury, MAIC and Nominal Defendant
- endorsing the 3-year strategic Internal Audit Plan and monitoring 2021–22 internal audit activity
- reviewing the effectiveness of the department's risk management framework and overseeing the management of significant business risks
- monitoring progress of the implementation status of internal audit recommendations
- considering issues raised by QAO including recommendations from performance audits and Treasury related reports to Parliament.

Internal and external accountability

Our governance framework includes both internal and external accountability measures. Internal audit is an integral part of the corporate governance framework by which Treasury maintains effective systems of accountability and control at all levels. Internal audit provides assurance to the Under Treasurer that the entity's financial and operational controls are operating in an efficient, effective, economical and ethical manner, and assists management in improving Treasury's business performance.

Externally, MAIC and the Nominal Defendant are audited by QAO in accordance with the *Financial Accountability Act 2009*. MAIC and the Nominal Defendant have achieved unqualified audits since the Commission commenced operations in 1994.

More information on Treasury's Audit and Risk Management framework including information about the committee are detailed in Queensland Treasury's annual report.

Information systems and recordkeeping

Our recordkeeping framework aligns with Treasury's Information Management Framework. The framework aims to ensure our record management practices are consistent with other offices within the Treasury portfolio and are compliant with current legislation and best practice record keeping standards. These include *Public Records Act 2002*, *Information Privacy Act 2009*, *Right to Information Act 2009*, *Information Standard 18: Information Security*, *Information Standard 38: Use of ICT Facilities and Devices* and *Records governance policy*.

MAIC and the Nominal Defendant are both within the scope of Queensland Treasury's Information Security Management System (ISMS) and are included in Treasury's annual information Security Return. As such, during the mandatory annual Information Security reporting process, the Under Treasurer attested to the appropriateness of the information security risk management within Treasury to the Queensland Government Chief Information Security Officer, noting that appropriate assurance activities have been undertaken to inform this opinion and Treasury's information security risk position.

Statistics

We produce quarterly and annual *CTP Scheme Insights* reports to demonstrate key aspects of scheme performance. We measure the performance of the scheme based on the key measures of affordability, efficiency, fairness and responsiveness.

These reports objectively inform our stakeholders and the broader community about the operation of the scheme, the management of claims, as well as enhancing scheme awareness and understanding. These publications, including the CTP scheme insights: 2021–22 report, are available through the MAIC website: maic.qld.gov.au/ctp-scheme-insights.

We support the *Queensland Government Open Data Initiative*. In 2021–22, we released 15 datasets in addition to CTP insurance scheme statistical insights and annual report statistics. Our Open Data sets are available at data.qld.gov.au/dataset/compulsory-third-party-ctp-statistics.

Finances

Our financial information

Motor Accident Insurance Commission

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These financial statements cover the Motor Accident Insurance Commission (MAIC). MAIC is an independent statutory body established under the *Motor Accident Insurance Act 1994*.

The head office and principal place of business is:
Level 17, 275 George Street
GPO Box 2203
Brisbane, Queensland 4000

A description of the nature of MAIC's operations and its principal activities is included in the notes to the financial statements.

For information in relation to MAIC's financial report call 1800 CTP QLD (1800 287 753), email maic@maic.qld.gov.au or visit MAIC's website www.maic.qld.gov.au.

Nominal Defendant

Financial statements 2021–22

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These financial statements cover the Nominal Defendant. The Nominal Defendant is an independent statutory body established under the *Motor Accident Insurance Act 1994*.

The head office and principal place of business is:
Level 17, 275 George Street
GPO Box 2203
Brisbane, Queensland 4000

A description of the nature of the Nominal Defendant's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Nominal Defendant's financial report please call 07 3035 6321, email nd@maic.qld.gov.au or visit the Nominal Defendant's website www.maic.qld.gov.au/nominal-defendant

Motor Accident Insurance Commission

Financial summary 2021–22

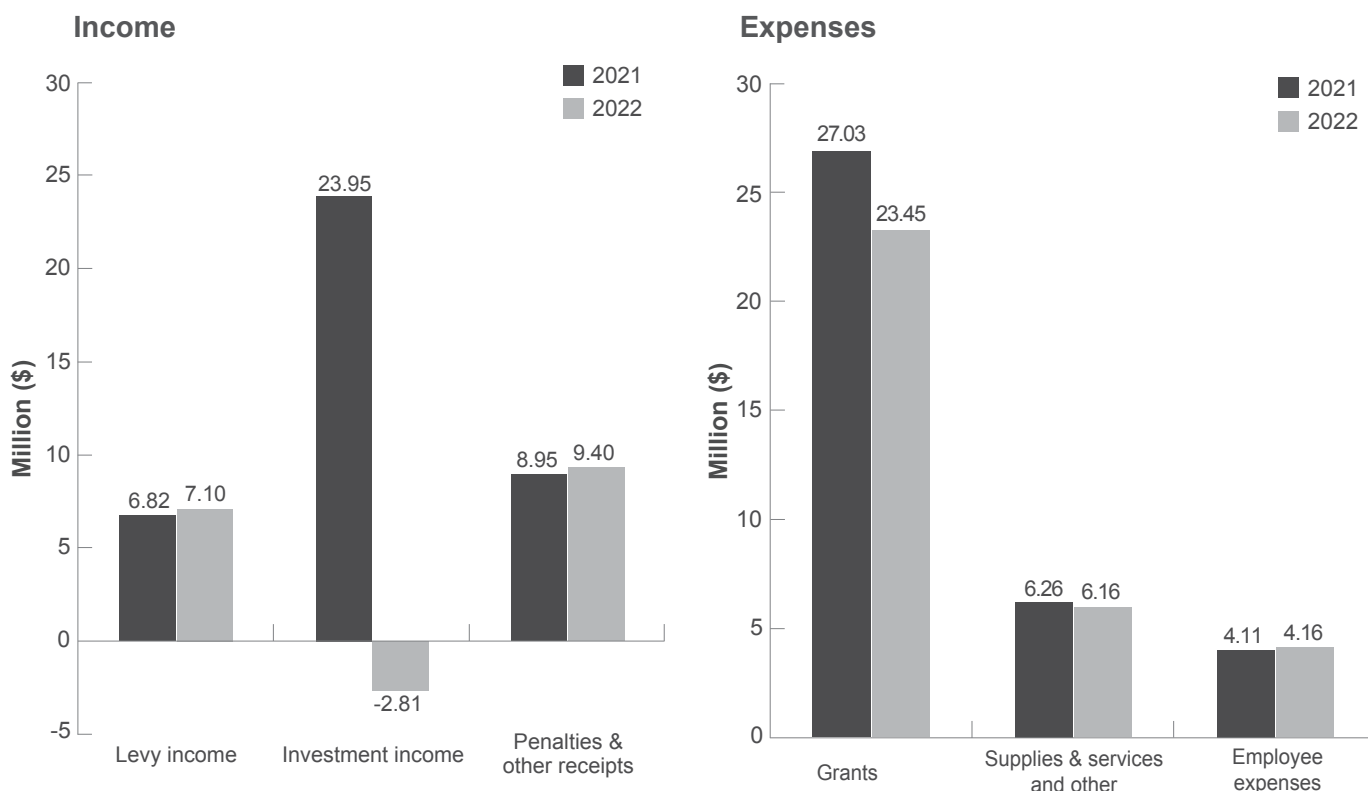
The operating result for MAIC for the year ended 30 June 2022 was a deficit of \$20.07 million compared to the prior year's operating surplus of \$2.32 million. The decrease was driven by negative investment returns on financial assets. MAIC continues to hold a significant financial asset balance to fund the operating losses experienced.

The investment returns on financial assets were \$2.81 million loss compared to prior year's gains of \$23.95 million. This reflects the volatility and downturn in the equity markets in 2021–2022.

The Statutory Insurance Scheme levy per vehicle remained unchanged from 1 July 2020 at \$1.50 per annum. Penalties and other revenue increased by \$0.44 million to \$9.40 million. User charges revenue increased by \$0.43 million due to the provision of corporate support services to the NIISQ Agency.

Total expenses decreased by \$3.65 million to \$33.76 million in 2021–22. MAIC's largest expense item relates to \$23.45 million grants spent on the continued funding of research programs to reduce the incidence and mitigate the effects of road trauma. The decrease in grants expense of \$3.58 million was largely due to the completion of contracts funding rehabilitation initiatives research and strategic accident prevention research. Details of grant funding are provided in Appendix 4.

Other operating expenditure decreased by \$0.11 million to \$6.15 million primarily due to lower than anticipated expenditure on improving the CTP claim lodgement process.



Motor Accident Insurance Commission financial statements 2020-21

Statement of comprehensive income for the year ended 30 June 2022

	Note	2022 Actual \$'000	2022 Original Budget \$'000	* Budget Variance \$'000	2021 Actual \$'000
Income					
Levy	3	7,099	6,883	216	6,824
Penalties	4	8,131	8,000	131	8,156
User charges		429	-	429	-
Other revenue		836	-	836	798
Total revenue		16,495	14,883	1,612	15,778
Net fair value (losses)/gains on other financial assets		(2,808)	5,200	(8,008)	23,947
Total income		13,687	20,083	(6,396)	39,725
Expenses					
Grants	5	23,447	31,000	(7,553)	27,031
Employee expenses	6	4,159	4,236	(77)	4,110
Supplies and services	7	6,103	6,631	(528)	6,218
Depreciation and amortisation		4	-	4	-
Other expenses	8	48	46	2	44
Total expenses		33,761	41,913	(8,152)	37,403
Operating result		(20,074)	(21,830)	1,756	2,322
Total other comprehensive income					
		-	-	-	-
Total comprehensive income		(20,074)	(21,830)	1,756	2,322

* An explanation of major variances is included in Note 17.

The accompanying notes form part of these statements.

Statement of financial position
as at 30 June 2022

	Note	2022 Actual \$'000	2022 Original Budget \$'000	* Budget Variance \$'000	2021 Actual \$'000
Current assets					
Cash and cash equivalents		4,313	2,500	1,813	11,019
Receivables	9	830	712	118	775
Other financial assets	11&12	-	168	(168)	-
Prepayments		18	-	18	36
Total current assets		5,161	3,380	1,781	11,830
Non-current assets					
Other financial assets	11&12	124,581	111,381	13,200	140,263
Plant and equipment		48	-	48	-
Total non-current assets		124,629	111,381	13,248	140,263
Total assets		129,790	114,761	15,029	152,093
Current liabilities					
Payables	10	560	553	7	2,797
Accrued employee benefits		120	196	(76)	112
Total current liabilities		680	749	(69)	2,909
Total non-current liabilities		-	-	-	-
Total liabilities		680	749	(69)	2,909
Net assets		129,110	114,012	15,098	149,184
Equity					
Contributed equity		57,818	57,548	270	57,818
Accumulated surplus		71,292	56,464	14,828	91,366
Total equity		129,110	114,012	15,098	149,184

* An explanation of major variances is included in Note 17.

The accompanying notes form part of these statements.

Statement of changes in equity
for the year ended 30 June 2022

	Accumulated surplus	Contributed equity	Total equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2020	89,044	57,818	146,862
Operating result	2,322	-	2,322
Balance as at 30 June 2021	91,366	57,818	149,184
Balance as at 1 July 2021	91,366	57,818	149,184
Operating result	(20,074)	-	(20,074)
Balance as at 30 June 2022	71,292	57,818	129,110

The accompanying notes form part of these statements.

Statement of cash flows
for the year ended 30 June 2022

	Note	2022 Actual \$'000	2022 Original Budget \$'000	Budget Variance \$'000	2021 Actual \$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Levy		7,099	6,883	216	6,896
Penalties		8,185	8,000	185	8,138
User charges		429	-	429	-
GST input tax credits from ATO		2,275	-	2,275	2,755
GST collected from customers		118	-	118	42
Other revenue		836	-	836	798
<i>Outflows:</i>					
Grants		(25,557)	(31,000)	5,443	(27,056)
Employee expenses		(4,154)	(4,234)	80	(4,295)
Supplies and services		(5,357)	(5,867)	510	(5,008)
GST remitted to ATO		(71)	-	(71)	(42)
GST paid to suppliers		(2,360)	-	(2,360)	(2,804)
Other expenses		(65)	(46)	(19)	(39)
Net cash used in operating activities	CF-1	(18,622)	(26,264)	7,642	(20,615)
Cash flows from investing activities					
<i>Inflow:</i>					
Proceeds from sale of other financial assets		10,000	26,264	(16,264)	28,000
Distributions received		1,969	-	1,969	-
<i>Outflow:</i>					
Payments for plant and equipment		(53)	-	(53)	-
Net cash provided by investing activities		11,916	26,264	(14,348)	28,000
Net (decrease)/increase in cash and cash equivalents		(6,706)	-	(6,706)	7,385
Cash and cash equivalents at beginning of financial year		11,019	2,500	8,519	3,634
Cash and cash equivalents at end of financial year		4,313	2,500	1,813	11,019

* An explanation of major variances is included in Note 17.

The accompanying notes form part of these statements.

Cash represents cash at bank and cheques receipted but not banked at 30 June.

Note to the Statement of cash flows
for the year ended 30 June 2022

CF-1 Reconciliation of operating result to net cash provided by operating activities

	2022	2021
	\$'000	\$'000
Operating result	(20,074)	2,322
<i>Non-cash items included in operating result:</i>		
Net fair value losses/(gains) on other financial assets	3,714	(23,010)
Depreciation and amortisation	4	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in prepayments	18	(36)
(Increase)/decrease in receivables	(55)	(63)
Increase/(decrease) in current payables	(2,237)	252
Increase/(decrease) in accrued employee benefits	8	(80)
Net cash used in operating activities	(18,622)	(20,615)

Non-cash movements in net fair value gain on other financial assets are disclosed in the above reconciliation net of management fees. Cash flows are included in the Statement of Cash Flows on a net basis with the GST components of the cash flows shown as separate line items. The GST components of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to and forming part of the financial statements

for the year ended 30 June 2022

1. BASIS OF FINANCIAL STATEMENT PREPARATION

(a) General information

The Motor Accident Insurance Commission (MAIC) is an independent statutory body reporting to the Treasurer and Minister for Trade and Investment established under the *Motor Accident Insurance Act 1994* (the Act) which commenced operations on 1 September 1994.

The head office and principal place of business of MAIC is 275 George Street, Brisbane, QLD 4000.

(b) Compliance with prescribed requirements

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

- section 39 of the *Financial and Performance Management Standard 2019*
- applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2021.

(c) Currency and rounding

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

(d) Comparatives

Comparative information reflects the audited 2020-21 financial statements except where restatement was necessary to be consistent with disclosures in the current reporting period. There have been no material restatements made to the comparative amounts.

(e) Current / non-current classification

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

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are expected to be settled within 12 months after the reporting date, or where MAIC does not have a right to defer settlement beyond the 12 months after the reporting date. All other assets and liabilities are classified as 'non-current'.

Other financial assets comprising of investments managed by QIC Limited (QIC) are classified as 'current' or 'non-current' based on the relative liquidity of the investments. Investments are classified as 'current' where they are readily convertible to cash on hand at MAIC's election. Investments that are long-term and not readily convertible to cash within a short period are classified as 'non-current'.

(f) Judgements and assumptions

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

The area involving a higher degree of judgement is in the fair value measurement of other financial assets (refer to **Note 11**).

Notes to and forming part of the financial statements
for the year ended 30 June 2022

1. BASIS OF FINANCIAL STATEMENT PREPARATION - continued

(g) Authorisation of financial statements for issue

The financial statements are authorised for issue by the Insurance Commissioner and the Director Finance, Risk and Assurance at the date of signing the Management Certificate.

(h) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for other financial assets which are shown at fair value.

2. OBJECTIVES OF MAIC

MAIC is responsible for regulation and ongoing management of the Queensland Compulsory Third Party (CTP) scheme and the Nominal Defendant Fund. It provides a framework for premium setting and ensures compliance with the provisions of the Act. It also conducts research in motor accident prevention and rehabilitation.

3. LEVY

Levy income consists of Statutory Insurance Scheme (SIS) levies received to fund the estimated operating costs of administering the Act and also provides funding for research into accident prevention and injury mitigation.

Levies are recognised at the time they are legally payable by the Department of Transport and Main Roads (DTMR) to MAIC in accordance with section 27 of the Act. Under current arrangements, the levies are payable on a weekly basis.

The SIS levy rate is fixed each year by regulation in accordance with section 14A(1) of the Act.

4. PENALTIES

Penalties are recognised at the time they are legally payable by DTMR and Queensland Treasury (State Penalties Enforcement Registry) to MAIC for penalties issued under section 20 of the Act. This occurs at the time of receipt of monies from uninsured motorists.

5. GRANTS

	2022	2021
	\$'000	\$'000
Rehabilitation initiatives research	10,665	12,102
Strategic accident prevention research	7,930	9,918
Road trauma mitigation research	4,810	5,008
Other	42	3
Total	23,447	27,031

The payment of the above grants are dependent on the grantee organisation satisfying conditions as set out in the grant agreement. The expense is recognised when the terms and conditions of the grants have been satisfied and upon receipt of invoices.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

6. EMPLOYEE EXPENSES

	2022	2021
	\$'000	\$'000
Employee benefits and employee related expenses		
Salaries and wages	3,201	3,174
Employer superannuation contributions	438	422
Leave levies	443	433
Employee related expenses	61	63
Other employee benefits	16	18
Total	4,159	4,110

The number of employees, including both full-time employees and part-time employees, measured on a full-time equivalent basis is 29 as at 30 June 2022 (based on fortnight ending 1 July 2022) and 30 for 30 June 2021 (reflecting Minimum Obligatory Human Resource Information).

Wages, salaries and sick leave

Salaries and wages expense is recognised in the Statement of Comprehensive Income when services are rendered. Wages and salaries due but unpaid at reporting date are recognised at the current remuneration rates as these liabilities are expected to be wholly settled within 12 months of reporting date and as such are undiscounted.

Sick leave is non-vesting and an expense is recognised when the leave is taken.

Annual and long service leave

No provision is recognised for liabilities in relation to annual and long service leave as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme, levies are made on MAIC to cover the cost of employees' annual leave and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Superannuation

Employer superannuation contributions are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Contributions for accumulation plans are made to eligible complying superannuation funds based on the rates specified in the relevant enterprise bargaining agreements or other conditions of employment.

The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary.

Key management personnel and remuneration disclosures are detailed in **Note 18**.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

7. SUPPLIES AND SERVICES

	2022	2021
	\$'000	\$'000
Consultants and contractors	1,557	2,213
Legal fee	983	788
Queensland Treasury corporate services fee	911	903
QIC management fee	837	871
IT related expenses	561	516
Rent	503	421
Queensland Treasury actuarial fees	483	420
NIISQ* corporate services fee	191	-
Supplies and consumables	71	86
Advertising	6	-
Total	6,103	6,218

* National Injury Insurance Scheme Queensland (NIISQ)

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

Under AASB 16 *Leases*, lease arrangements with substantive substitution rights or are of low value are recognised as an expense when incurred and exempt from recognition on the Statement of Financial Position. MAIC's office accommodation falls under government-wide framework arrangements which are exempt under AASB 16 as the arrangements are categorised as procurement of services rather than as leases because the Department of Energy and Public Works has substantive substitution rights over the assets. As such, accommodation costs incurred by MAIC are recognised under "Rent" expense.

8. OTHER EXPENSES

	2022	2021
	\$'000	\$'000
Queensland Audit Office - external audit fees	24	22
Insurance premiums - QGIF	24	22
Total	48	44

Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$24,000 (2021: \$22,500).

Notes to and forming part of the financial statements
for the year ended 30 June 2022

9. RECEIVABLES

	2022	2021
	\$'000	\$'000
Accrued penalties	350	405
GST receivable	381	296
Leave reimbursements	95	74
Other receivables	4	-
Total	830	775

Receivables are recognised at the amounts due at the time of service delivery or when they are legally payable to MAIC. Penalties are recognised at the time of receipt of monies from uninsured motorists (refer to **Note 4**). Settlement of these amounts is generally required within 30 days. The collectability of receivables is assessed periodically and a loss allowance is recognised for expected credit losses based on reasonable and supportable forward-looking information.

MAIC's receivables are from Queensland and Australian Government entities. No loss allowance is recognised for these receivables on the basis of materiality. Refer to **Note 12** for MAIC's credit risk disclosures. Where MAIC has no reasonable expectation of recovering an amount owed by a debtor, the debt will be written off.

10. PAYABLES

	2022	2021
	\$'000	\$'000
Current		
Trade creditors	349	2,473
Accrued expenses	163	322
GST payable	47	-
FBT payable	1	2
Total	560	2,797

Trade creditors are recognised upon receipt of the goods or services ordered. Grants payable are recognised when the terms and conditions of the grants have been satisfied and upon receipt of invoices. They are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

11. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

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

Level 1	unadjusted quoted prices in active markets for identical assets or liabilities the entity can access;
Level 2	inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
Level 3	unobservable inputs.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued.

	Level 2		Level 3		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other financial assets	109,634	140,263	14,947	-	124,581	140,263
Total	109,634	140,263	14,947	-	124,581	140,263

MAIC recognises other financial assets invested with QIC at fair value through profit or loss. Fair value gains and losses are recognised in the Statement of Comprehensive Income. Classification of instruments into fair value hierarchy levels is reviewed annually.

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

The carrying amount for cash assets represents the fair value.

Fair value hierarchy – Level 1

None of MAIC's valuation of financial assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

Fair value hierarchy – Level 2

MAIC measures investments in the QIC Long Term Diversified Fund at market value based on closing unit prices of QIC unlisted unit trusts.

While the units in this unit trust have redemption prices and are able to be traded, the market would not be considered active for level 1, therefore, they are considered to be level 2. A market comparison valuation approach is used, with the units carried at redemption value as reasonably determined by the fund manager.

Fair value hierarchy – Level 3

MAIC holds investments in the QIC Registry Trust. These financial assets are not traded in an active market and include infrastructure assets which are held through investments in unlisted debt and equity instruments issued by portfolio companies.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

11. FAIR VALUE MEASUREMENT – continued

The fair value reported by MAIC is based on QIC's determination of the investments' fair value. The valuations of the underlying investments are based on unobservable inputs and their fair value is determined by QIC via independent valuations in accordance with QIC's Investment Valuations Policy. The sensitivity of the fair value measurement to market changes is outlined in **Note 12(c)**.

MAIC transferred funds from the QIC Long Term Diversified Fund to the QIC Registry Trust in 2021-22, resulting in a transfer from level 2 to level 3. The transfer between the fair value hierarchy levels is recognised at the time of the QIC funds transfer

Reconciliation of Level 3 fair value movements

	2022	2021
	\$'000	\$'000
Other financial assets - QIC Registry Trust		
Carrying amount at 1 July	-	-
Transfers into level 3 from level 2	13,600	-
Distributions	(1,969)	-
Gains/(losses) recognised in operating result	3,316	-
Carrying amount at 30 June	14,947	-

12. FINANCIAL RISK DISCLOSURES

(a) Categorisation of financial instruments

MAIC has the following categories of financial assets and financial liabilities:

Category	Note	2022	2021
		\$'000	\$'000
Financial assets			
Cash and cash equivalents		4,313	11,019
Receivables (amortised cost)	9	830	775
Other financial assets (FVTPL)		124,581	140,263
Total		129,724	152,057
Financial liabilities			
Current payables (amortised cost)	10	560	2,797
Total		560	2,797

MAIC's receivables are measured at amortised cost as they are held for collection of contractual cash flows that are solely payments of principal and interest.

MAIC's other financial assets consists of investments with QIC. As disclosed in **Note 11**, these are measured at fair value through profit or loss (FVTPL) in accordance with AASB 9 *Financial Instruments*. The investments are held within a business model of being managed and evaluated on a fair value basis according to QIC's investment strategy.

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

Notes to and forming part of the financial statements
for the year ended 30 June 2022

12. FINANCIAL RISK DISCLOSURES – continued

(b) Financial risk management

MAIC's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk.

Risk exposure is measured using a variety of methods:

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

(i) Credit risk

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

The carrying amount of financial assets disclosed in **Note 9** and **Note 12(a)** represents MAIC's maximum exposure to credit risk at balance date.

MAIC seeks to reduce the exposure to credit risk in the following manner:

- invest in secure assets through QIC with regular reviews of the investment strategy through frequent communication and meetings with QIC regarding MAIC's future cash requirements and to agree the investment mandate;
- all funds owed are monitored on a timely basis; and
- assess credit risk exposure, including any concentrations of risk, on an ongoing basis.

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

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

(ii) Liquidity risk

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

MAIC is exposed to liquidity risk in respect of its current and non-current payables. The current and non-current classification represents the expected maturity of the payables. MAIC manages its exposure to liquidity risk by ensuring that MAIC has sufficient funds available to meet its liabilities. This is achieved by monitoring the QIC investment funds and maintaining minimum cash balances within its bank account to meet both short-term and long-term cash flow requirements.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

12. FINANCIAL RISK DISCLOSURES – continued

(iii) Market risk

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

The significant market risks to MAIC relate to its investments managed by QIC. The investment portfolio includes investments in cash, fixed interest funds, property, infrastructure, private equity, international and Australian equities, and alternative funds. The market risk of the investment portfolio comprises the risk that the unit price of the funds will change during the next reporting period (effectively price risk).

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

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

(c) Market risk sensitivity analysis

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

MAIC's sensitivity to these possible changes are shown in the table below.

Investment	2022				2021			
	Movement in variable		Impact on Profit / Equity		Movement in variable		Impact on Profit / Equity	
	Low	High	Decrease	Increase	Low	High	Decrease	Increase
	%	%	\$'000	\$'000	%	%	\$'000	\$'000
QIC Long Term Diversified Fund	-12	12	(13,156)	13,156	-11	11	(15,429)	15,429
QIC Registry Trust	-10	10	(1,495)	1,495	-	-	-	-
Total			(14,651)	14,651			(15,429)	15,429

The interest rate risk associated with MAIC's cash and cash equivalents is immaterial.

13. CONTINGENCIES

MAIC did not have any contingent assets or liabilities at 30 June 2022.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

14. COMMITMENTS

(a) Operating expenditure commitments

Commitments for material operating expenditure contracted at reporting date (inclusive of non-recoverable GST input tax credits) but not recognised in the financial statements are payable as follows:

	2022	2021
	\$'000	\$'000
Not later than one year	2,518	1,186
Later than one year and not later than five years	127	-
Total	2,645	1,186

(b) Grant expenditure commitments

Commitments for grant expenditure contracted at reporting date (inclusive of non-recoverable GST input tax credits) but not recognised in the financial statements are payable as follows:

	2022	2021
	\$'000	\$'000
Not later than one year	13,417	16,721
Later than one year and not later than five years	15,805	17,451
Total	29,222	34,172

Approval has been given to grantees in accordance with formal agreements, provided certain criteria are met.

15. EVENTS OCCURRING AFTER THE REPORTING DATE

MAIC has not had any material events occurring after 30 June 2022.

16. FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, there are no expected material impacts from any new or amended Australian Accounting Standards with a future effective date.

17. BUDGETARY REPORTING DISCLOSURES

In accordance with AASB 1055 *Budgetary Reporting*, the budget information presented to parliament has been restated for disclosure purposes to align with the presentation and classification bases adopted for the corresponding actual information in the financial statements, to facilitate a comparison of actual outcomes against the budget.

A budget versus actual comparison and explanation of major variances has not been included for the Statement of Changes in Equity as major variances relating to that statement have been addressed in explanations of major variances for other statements.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

17. BUDGETARY REPORTING DISCLOSURES – continued

Explanations of major variances

Statement of Comprehensive Income

<i>User charges</i>	The increase in user charges relates to the provision of corporate support services to NIISQ.
<i>Other revenue</i>	The increase in other revenue relates to return of unspent grant funds.
<i>Net fair value losses/gains on other financial assets</i>	The decrease in net fair value losses on other financial assets is primarily due to lower than expected earnings on investments as a result of downturns in the equity market.
<i>Grants</i>	The variance in grant payments is due to lower than anticipated investment in research activities.
<i>Supplies and services</i>	The decrease in supplies and services is primarily due to lower than anticipated expenditure on improving the CTP claim lodgement process.

Statement of Financial Position

<i>Cash and cash equivalents</i>	The cash balance is higher than projected as detailed in the Statement of Cash Flows.
<i>Receivables</i>	The variance is due to fluctuations in accrued receivables as at 30 June.
<i>Other financial assets</i>	The variance in other financial assets reflects a higher audited opening balance than projected in the budget and a reclassification from current to non-current other financial assets.
<i>Accumulated surplus</i>	The increase in accumulated surplus reflects a higher audited opening balance than projected in the budget.

Statement of Cash Flows

<i>User charges</i>	The increase in user charges relates to the provision of corporate support services to NIISQ.
<i>GST input tax credits from ATO</i>	The variance is due to the amount of input tax credits paid by the Australian Taxation Office (ATO) for supplier invoices processed which was not budgeted for.
<i>Other revenue</i>	The increase in other revenue relates to return of unspent grant funds.
<i>Grants</i>	The variance in grants payments is due to lower than anticipated investment in research activities, partially offset by movement in payables.
<i>Supplies and services</i>	The decrease in supplies and services is primarily due to lower than anticipated expenditure on improving the CRP claim lodgement process.
<i>GST paid to suppliers</i>	The variance is due to the amount of GST paid for supplier invoices processed which was not budgeted for.
<i>Investing activities</i>	The variances in cash flows from investing activities reflect QIC cash investments and drawdowns performed during the year to meet cash flow requirements.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

18. KEY MANAGEMENT PERSONNEL AND REMUNERATION

Details of key management personnel

The Treasurer and Minister for Trade and Investment is identified as part of MAIC's key management personnel (KMP), consistent with additional guidance included in the revised version of AASB124 *Related Party Disclosures*.

The following details for non-Ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of MAIC during 2021-22 and 2020-21. KMP also provided services to the Nominal Defendant, the Queensland Government Insurance Fund (QGIF) within Queensland Treasury and the NIISQ as part of their overall role. The remuneration disclosed below relates to their service as a KMP of MAIC for the period. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities
Insurance Commissioner	Leads the efficient, effective and economic administration of MAIC.
General Manager MAIC	Leads and manages the strategies, policies and performance with respect to the regulation of the CTP scheme.
General Manager Innovation and Delivery ⁽¹⁾ (from 1 November 2021)	Responsible for efficient and effective project management, development, business systems strategic planning and management for MAIC.
Director Finance, Procurement and Systems (to 19 November 2021)	Responsible for the efficient, effective and economic financial management and procurement of MAIC and oversight of the IT system roadmap for the organisation.
Director Finance, Risk and Assurance (from 29 November 2021)	Responsible for the risk management and procurement function and ensuring the efficient, effective and economical financial management of MAIC.
Director People, Policy and Communication ⁽²⁾	Responsible for managing MAIC's human resources, communication and policy function.
Director Analytics	Responsible for data analysis and reporting, premiums and levies advice and business intelligence functions for MAIC.

(1) This is a NIISQ position and remuneration is disclosed in the NIISQ financial statements. NIISQ charges a corporate support fee for services provided to MAIC.

(2) This role was previously named Director Policy, Performance and Improvement.

Remuneration policies

The Treasurer and Minister for Trade and Investment's ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. MAIC does not bear any cost of remuneration of Ministers. The majority of ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and whole-of-government.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

18. KEY MANAGEMENT PERSONNEL AND REMUNERATION - continued

Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for MAIC's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment (including motor vehicle entitlements) for the KMP are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

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

Remuneration expense

The following disclosures focus on the expenses incurred solely by MAIC that is attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

1 July 2021 to 30 June 2022

Position	Short term employee expenses - monetary expenses* \$'000	Long term employee expenses \$'000	Post-employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
Insurance Commissioner	239	6	26	-	271
General Manager MAIC	142	3	16	-	161
Director Finance, Procurement and Systems (to 19 November 2021)	48	1	5	-	54
Director Finance, Risk and Assurance (from 29 November 2021)	88	2	11	-	101
Director People, Policy and Communication	116	3	14	-	133
Director Analytics	118	3	14	-	135

*MAIC does not have any non-monetary benefits to disclose in relation to its KMP.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

18. KEY MANAGEMENT PERSONNEL AND REMUNERATION – continued

1 July 2020 to 30 June 2021

Position	Short term employee expenses - monetary expenses* \$'000	Long term employee expenses \$'000	Post-employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
Insurance Commissioner	146	3	16	-	165
General Manager MAIC	141	3	15	-	159
Director Finance, Procurement and Systems	104	2	13	-	119
Director People, Policy and Communication	96	2	12	-	110
Director Analytics	103	2	13	-	118

*MAIC does not have any non-monetary benefits to disclose in relation to its KMP.

No KMP remuneration packages provide for performance or bonus payments.

19. RELATED PARTY TRANSACTIONS

Transactions with people/entities related to KMP

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

Transactions with other Queensland Government-controlled entities

MAIC received levy income from DTMR in accordance with the Act (**Note 3**).

MAIC received penalty income from DTMR and Queensland Treasury (State Penalties Enforcement Registry) in accordance with the Act (**Note 4**).

MAIC provided grant funding to Queensland Police Service (QPS) to support targeted research and service delivery initiatives as a means of reducing the number of crashes on Queensland roads and the associated number of claims to the Queensland CTP scheme. (**Note 5**).

MAIC provided grant funding to both the Metro South and Metro North Hospital and Health Services for supporting Transitional Rehabilitation Service and Jamieson Trauma Institute respectively (**Note 5**).

MAIC has a corporate support arrangement in place with the Nominal Defendant and the NISQ for the receipt and provision of administrative and corporate support services between the three entities. Queensland Treasury also provides corporate support and actuarial services to MAIC. These are disclosed in **Note 7**.

MAIC incurred management fees from QIC for the management of the QIC unlisted unit trusts as disclosed in **Note 7**.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

20. AGENCY TRANSACTIONS

MAIC receives Hospital and Emergency Services Levy amounts from DTMR on gross insurance premiums on behalf of Queensland Health (QH), Queensland Fire and Emergency Services (QFES), QPS and Queensland Government Air (QGAir) an area of QPS previously part on the Public Safety Business Agency (PSBA). Details of amounts collected and administered during the year and the amount held on behalf of these agencies at 30 June are as follows:

Type of Levy	Levies collected from DTMR		Contributions paid to QH, QFES, QPS & QGAir		Outstanding levies for remittance to QH, QFES, QPS & QGAir	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Levies collected but not remitted in the previous year	7,504	8,984	-	-	-	-
Hospital levy	71,288	76,794	(72,031)	(78,369)	6,211	6,954
Emergency Services levy - QFES	2,785	3,244	(2,824)	(3,265)	252	290
Emergency Services levy - QPS	8,790	145	(8,136)	-	799	145
Emergency Services levy - QPS - QGAir	1,000	1,298	(1,037)	(1,327)	77	115
Total	91,367	90,465	(84,028)	(82,961)	7,339	7,504

Levies collected on behalf of QH, QFES and QPS during the current year have not been included as revenue in the Statement of Comprehensive Income as these amounts are not controlled. Similarly, remittances made to these agencies have not been included as expenses.

21. TAXATION

MAIC is a statutory body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by MAIC. GST credits receivable from, and GST payable to the ATO, are recognised in the Statement of Financial Position (refer to **Note 9** and **Note 10** respectively).

22. FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Accounting standards applied for the first time

No new accounting standards or interpretations that apply to MAIC for the first time in 2021-22 have any material impact on the financial statements.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2021-22.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

23. CLIMATE RISK DISCLOSURE

MAIC has not identified any material climate related risks relevant to the financial report at the reporting date. MAIC continues to monitor the emergence of such risks under the Queensland Government's Climate Transition Strategy, and Climate Action Plan 2030.

Management certificate

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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Motor Accident Insurance Commission (MAIC) for the financial year ended 30 June 2022 and of the financial position of MAIC at the end of that year; and

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



A BUI

B.Bus, LLB, FGIA, CPA

Director Finance, Risk and Assurance

31 August 2022



N SINGLETON

B.Bus (Insurance), MBA

Insurance Commissioner

31 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Insurance Commissioner of Motor Accident Insurance Commission

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Motor Accident Insurance Commission

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

Responsibilities of the Insurance Commissioner for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Insurance Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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



Brydie Morris
as delegate of the Auditor-General

1 September 2022

Queensland Audit Office
Brisbane

Nominal Defendant

Financial summary 2021–22

For the year ended 30 June 2022, the Nominal Defendant had a total income of \$22.51 million and expenses of \$25.85 million resulting in an operating deficit of \$3.34 million, compared to the prior year's operating surplus of \$64.62 million.

The \$67.96 million decrease in the operating result was driven by negative investment returns on financial assets. Total investment losses on financial assets were \$12.67 million compared to prior year's gain of \$64.05 million. This reflects the volatility and downturn in the equity markets in 2021-2022.

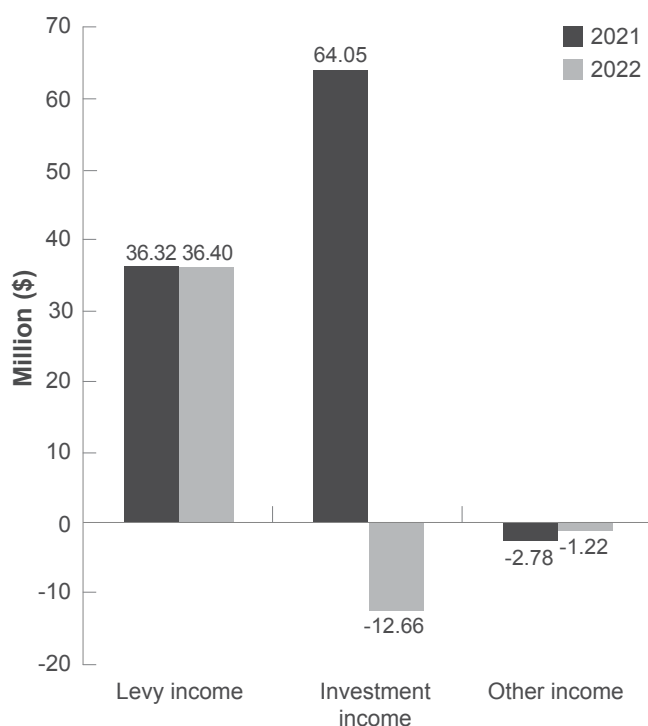
The Nominal Defendant levy remained at \$8.00 per Class 1 vehicle in 2021-2022 and generated income of \$36.40 million, representing a \$0.08 million increase from the prior year. Actuarial assessments at 30 June 2022 resulted in an increase of \$1.58 million in reinsurance and other recoveries from prior year.

Total expenses decreased from \$32.96 million in 2020-2021, to \$25.85 million in 2021-2022. This is primarily a result of lower claim costs. The Nominal Defendant's gross outstanding claims liabilities were actuarially assessed at 30 June 2022 to be \$124.97 million, a decrease of \$12.89 million from the prior year. Nominal Defendant claim payments were \$32.38 million (prior year \$32.59 million) and claim recoveries were \$1.36 million (prior year \$0.27 million).

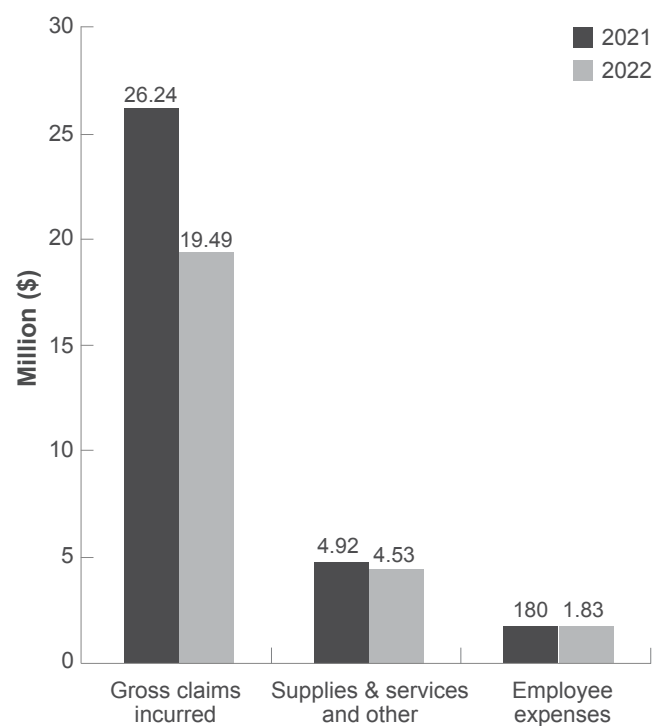
Claim payments of \$2.96 million were made in the preceding year in relation to FAI claims resulting from the insolvency of the HIH Group of companies in 2001. All claims relating to FAI were finalised in 2020-2021, and as such, there are no outstanding claims liability or claim payments in relation to FAI for the year ended 30 June 2022.

The Nominal Defendant is in a fully funded position with financial assets more than sufficient to meet all obligations arising from the outstanding claims liability.

Income



Expenses



Nominal Defendant financial statements 2021-22

Statement of comprehensive income for the year ended 30 June 2022

	Note	2022 Actual \$'000	2022 Original Budget \$'000	* Budget Variance \$'000	2021 Actual \$'000
Income					
Levy	3	36,397	36,169	228	36,315
Reinsurance and other recoveries	4	(1,260)	-	(1,260)	(2,840)
Other revenue		38	-	38	57
Total revenue		35,175	36,169	(994)	33,532
Net fair value (losses)/gains on other financial assets		(12,662)	18,150	(30,812)	64,045
Total income		22,513	54,319	(31,806)	97,577
Expenses					
Gross claims incurred	4	19,493	36,072	(16,579)	26,237
Employee expenses	5	1,831	1,930	(99)	1,802
Supplies and services	6	4,484	4,672	(188)	4,445
Depreciation and amortisation		-	-	-	433
Other expenses	7	45	45	-	43
Total expenses		25,853	42,719	(16,866)	32,960
Operating result		(3,340)	11,600	(14,940)	64,617
Total other comprehensive income		-	-	-	-
Total comprehensive income		(3,340)	11,600	(14,940)	64,617

* An explanation of major variances is included in Note 17.

The accompanying notes form part of these statements.

Statement of financial position
as at 30 June 2022

	Note	2022 Actual \$'000	2022 Original Budget \$'000	* Budget Variance \$'000	2021 Actual \$'000
Current assets					
Cash and cash equivalents		8,104	10,000	(1,896)	9,378
Receivables	8	92	467	(375)	86
Other financial assets	12 & 13	160,780	173,112	(12,332)	167,782
Claim recoveries	10	641	769	(128)	692
Prepayments		7	-	7	14
Total current assets		169,624	184,348	(14,724)	177,952
Non-current assets					
Other financial assets	12 & 13	376,397	362,438	13,959	381,714
Claim recoveries	10	1,591	7,192	(5,601)	4,155
Intangible assets	9	-	-	-	-
Total non-current assets		377,988	369,630	8,358	385,869
Total assets		547,612	553,978	(6,366)	563,821
Current liabilities					
Payables		328	378	(50)	297
Accrued employee benefits		53	95	(42)	49
Outstanding claims liability	10	35,910	45,378	(9,468)	38,735
Unearned levies	3	14,005	14,870	(865)	14,022
Total current liabilities		50,296	60,721	(10,425)	53,103
Non-current liabilities					
Outstanding claims liability	10	89,059	96,428	(7,369)	99,121
Total non-current liabilities		89,059	96,428	(7,369)	99,121
Total liabilities		139,355	157,149	(17,794)	152,224
Net assets		408,257	396,829	11,428	411,597
Equity					
Accumulated surplus	11	408,257	396,829	11,428	411,597
Total equity		408,257	396,829	11,428	411,597

* An explanation of major variances is included in Note 17.

The accompanying notes form part of these statements.

Statement of changes in equity
for the year ended 30 June 2022

	Accumulated surplus	Total equity
	\$'000	\$'000
Balance as at 1 July 2020	396,980	396,980
Operating result	64,617	64,617
Transfer out to other Queensland Government entity (Note 11)	(50,000)	(50,000)
Balance as at 30 June 2021	411,597	411,597
 Balance as at 1 July 2021	 411,597	 411,597
Operating result	(3,340)	(3,340)
Balance as at 30 June 2022	408,257	408,257

The accompanying notes form part of these statements.

Statement of cash flows
for the year ended 30 June 2022

	2022	2022	* Budget	2021
Note	Actual	Original	Variance	Actual
	\$'000	Budget	\$'000	\$'000
		\$'000		
Cash flows from operating activities				
<i>Inflows:</i>				
Levy	36,380	36,169	211	35,863
Claim recoveries	1,355	-	1,355	274
GST input tax credits from Australian Taxation Office (ATO)	506	-	506	565
GST collected from customers	4	-	4	2
Other revenue	38	-	38	57
<i>Outflows:</i>				
Gross claims incurred	(32,380)	(33,439)	1,059	(35,545)
Outwards reinsurance premium expense	-	-	-	-
Employee expenses	(1,801)	(1,929)	128	(1,890)
Supplies and services	(816)	(1,371)	555	(795)
GST paid to suppliers	(522)	-	(522)	(550)
GST remitted to ATO	(3)	-	(3)	(2)
Other expenses	(35)	(46)	11	(67)
Net cash provided by / (used in) operating activities	CF-1 2,726	(616)	3,342	(2,088)
Cash flows from investing activities				
<i>Inflow:</i>				
Proceeds from sale of other financial assets	-	616	(616)	-
Distributions received	7,774	-	7,774	-
<i>Outflow:</i>				
Payments for other financial assets	(11,774)	-	(11,774)	(6,000)
Net cash (used in) / provided by investing activities	(4,000)	616	(4,616)	(6,000)
Net decrease in cash and cash equivalents	(1,274)	-	(1,274)	(8,088)
Cash and cash equivalents at beginning of financial year	9,378	10,000	(622)	17,466
Cash and cash equivalents at end of financial year	8,104	10,000	(1,896)	9,378

* An explanation of major variances is included in Note 17.

The accompanying notes form part of these statements.

Cash represents cash at bank and cheques receipted but not banked at 30 June.

Note to the Statement of cash flows
for the year ended 30 June 2022

CF-1 Reconciliation of operating result to net cash from operating activities

	Note	2022 \$'000	2021 \$'000
Operating result		(3,340)	64,617
<i>Non-cash items included in operating result:</i>			
Net fair value losses/(gains) on other financial assets		16,319	(60,438)
Depreciation and amortisation		-	433
<i>Change in assets and liabilities:</i>			
(Increase)/decrease in prepayments		7	(14)
(Increase)/decrease in receivables and claim recoveries	8,10	2,609	3,495
Increase/(decrease) in current payables		31	19
Increase/(decrease) in unearned levies		(17)	(848)
Increase/(decrease) in outstanding claims liability	10	(12,887)	(9,308)
Increase/(decrease) in accrued employee benefits		4	(44)
Net cash provided by / (used in) operating activities		2,726	(2,088)

Non-cash movements in net fair value gain on other financial assets are disclosed in the above reconciliation net of management fees. Cash flows are included in the Statement of Cash Flows on a net basis with the GST components of the cash flows shown as separate line items. The GST components of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to and forming part of the financial statements

for the year ended 30 June 2022

1. BASIS OF FINANCIAL STATEMENT PREPARATION

(a) General information

The Nominal Defendant is an independent statutory body reporting to the Treasurer and Minister for Trade and Investment established under the *Motor Accident Insurance Act 1994* (the Act).

The head office and principal place of business of the Nominal Defendant is 275 George Street, Brisbane, QLD 4000.

(b) Compliance with prescribed requirements

The Nominal Defendant is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis, except for the statement of cash flows, in accordance with:

- section 39 of the *Financial and Performance Management Standard 2019*
- applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2021.

(c) Currency and rounding

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

(d) Comparatives

Comparative information reflects the audited 2020-21 financial statements except where restatement was necessary to be consistent with disclosures in the current reporting period. There have been no material restatements made to the comparative amounts.

(e) Current / Non-current classification

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

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are expected to be settled within 12 months after the reporting date, or where the Nominal Defendant does not have a right to defer settlement beyond the 12 months after the reporting date. All other assets and liabilities are classified as 'non-current'.

Other financial assets comprising of investments managed by QIC Limited (QIC) are classified as 'current' or 'non-current' based on the relative liquidity of the investments. Investments are classified as 'current' where they are readily convertible to cash on hand at Nominal Defendant's election. Investments that are long-term and not readily convertible to cash within a short period are classified as 'non-current'.

(f) Judgements and assumptions

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

The Nominal Defendant places high reliance on actuarial estimates provided by Queensland Government State Actuary's Office, in calculating the recoveries on outstanding claims and the outstanding claims liability as at 30 June (**Notes 4 and 10**).

Notes to and forming part of the financial statements

for the year ended 30 June 2022

1. BASIS OF FINANCIAL STATEMENT PREPARATION - continued

Areas requiring a higher degree of judgement and assumptions that have a significant effect are outlined in the following statement notes:

- Levy income (**Note 3**), and
- Fair value measurement of other financial assets (**Note 12**).

(g) Authorisation of financial statements for issue

The financial statements are authorised for issue by the Insurance Commissioner and the Director Finance, Risk and Assurance at the date of signing the Management Certificate.

(h) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for other financial assets which are shown at fair value and outstanding claims liability and recoveries expected to be settled 12 or more months after reporting date are measured at present value.

2. OBJECTIVES OF THE NOMINAL DEFENDANT

The Nominal Defendant acts as a Queensland Compulsory Third Party (CTP) insurer for claims arising from unidentified and uninsured vehicles and to provide continuity of protection if a licensed insurer becomes insolvent.

3. LEVY

Levy income consists of the Nominal Defendant levy received to fund the estimated costs of the Nominal Defendant scheme for the financial year and shortfalls from previous years pursuant to the Act.

Levies are recognised at the time they are legally payable by the Department of Transport and Main Roads (DTMR) in accordance with sections 27 and 29 of the Act based on a levy on gross premiums collected for CTP motor vehicle insurance policies. Under current arrangements, the levies are payable on a weekly basis.

The Nominal Defendant levy as set out in Part 2 of the Act is treated as “premium” in accordance with the provisions of AASB 1023.

The levy is recognised in the Statement of Comprehensive Income when it has been earned on the basis of the passage of time, commencing from the week in which motorists remit their CTP premiums to the DTMR and having regard to the term of the CTP premium. Levies received but not earned as at 30 June are recorded as unearned levies in the Statement of Financial Position and then systematically recognised as revenue in the Statement of Comprehensive Income when earned over time.

The Nominal Defendant levy rate is fixed each year by regulation in accordance with section 14A(1) of the Act.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

4. NET CLAIMS INCURRED

	2022 \$'000	2021 \$'000
Gross claims incurred	19,493	26,237
Reinsurance and other recoveries	1,260	2,840
Total net claims incurred	20,753	29,077

(a) Claims development

Attributable to Nominal Defendant

	2022			2021		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
Gross claims incurred and related expenses						
Undiscounted	40,645	(12,317)	28,328	35,538	(5,028)	30,510
Discount	(3,937)	(4,898)	(8,835)	(853)	(1,164)	(2,017)
Provisions made (Note 10)	36,708	(17,215)	19,493	34,685	(6,192)	28,493
Reinsurance and other recoveries						
Undiscounted	722	(2,009)	(1,287)	632	(3,451)	(2,819)
Discount	(70)	97	27	(15)	(9)	(24)
	652	(1,912)	(1,260)	617	(3,460)	(2,843)
Net claims incurred	36,056	(15,303)	20,753	34,068	(2,732)	31,336

Attributable to FAI						
	2022			2021		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
Gross claims incurred and related expenses						
Undiscounted	-	-	-	-	(2,268)	(2,268)
Discount	-	-	-	-	12	12
Provisions made (Note 10)	-	-	-	-	(2,256)	(2,256)
Reinsurance and other recoveries						
Undiscounted	-	-	-	-	3	3
Discount	-	-	-	-	-	-
	-	-	-	-	3	3
Net claims incurred	-	-	-	-	(2,259)	(2,259)

Total gross claims incurred	36,708	(17,215)	19,493	34,685	(8,448)	26,237
Total recoveries	652	(1,912)	(1,260)	617	(3,457)	(2,840)
Total net claims incurred	36,056	(15,303)	20,753	34,068	(4,991)	29,077

Current year claims relate to risks borne in the current reporting year. Prior years claims relate to a reassessment of the risks borne in all previous reporting years.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

4. NET CLAIMS INCURRED – continued

(b) Claims reconciliation

	Nominal Defendant		FAI		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross claims incurred and related expenses						
Claims and associated settlement costs	32,380	32,590	-	2,955	32,380	35,545
Movement in outstanding claims liability	(12,887)	(4,097)	-	(5,211)	(12,887)	(9,308)
Total gross claims incurred	19,493	28,493	-	(2,256)	19,493	26,237
Reinsurance and other recoveries						
Reinsurance and other recoveries	1,355	271	-	3	1,355	274
Movement in other recoveries receivable	(2,615)	(3,114)	-	-	(2,615)	(3,114)
Total recoveries	(1,260)	(2,843)	-	3	(1,260)	(2,840)
Net claims incurred	20,753	31,336	-	(2,259)	20,753	29,077

Gross claims

Gross claims comprise amounts required to be paid on behalf of those insured, and movement in 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.

Claims expenses are recognised in the Statement of Comprehensive Income as the costs are incurred, which is usually the point in time when the event giving rise to the claim occurs.

Reinsurance and other recoveries

Reinsurance and other recoveries on outstanding claims have been actuarially calculated as at 30 June by the State Actuary's Office. It is recognised as revenue and a receivable in the Statement of Comprehensive Income and Statement of Financial Position for claims incurred but not yet paid and incurred but not yet reported claims, respectively.

Amounts recoverable are assessed in a manner similar to the assessment of outstanding claims liability (**Note 10**). Recoveries are measured as the present value of the expected future receipts, calculated on the same basis as the outstanding claims liability.

FAI General Insurance Company Limited (FAI)

Under the *Motor Accident Insurance Act 1994*, the Nominal Defendant is required to meet any outstanding CTP claims in the event of the insolvency of a licensed CTP insurer. All claims relating to FAI following the insolvency of the HIH Group of companies in March 2001 was finalised by the Nominal Defendant in 2020-21. Therefore outstanding claims liability attributable to FAI is nil as at 30 June 2022.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

5. EMPLOYEE EXPENSES

	2022	2021
	\$'000	\$'000
Employee benefits and employee related expenses		
Salaries and wages	1,427	1,419
Employer superannuation contributions	195	194
Leave levies	197	186
Employee related expenses	12	3
Total	1,831	1,802

The number of employees, including both full-time employees and part-time employees, measured on a full-time equivalent basis is 14 as at 30 June 2022 (based on pay fortnight ending 1 July 2022) and 14 as at 30 June 2021 (reflecting Minimum Obligatory Human Resource Information).

Wages, salaries and sick leave

Salaries and wages expense is recognised in the Statement of Comprehensive Income when the services are rendered. Wages and salaries due but unpaid at reporting date are recognised at the current remuneration rates as these liabilities are expected to be wholly settled within 12 months of reporting date and as such are undiscounted.

Sick leave is non-vesting and an expense is recognised when the leave is taken.

Annual and long service leave

No provision is recognised for liabilities in relation to annual and long service leave as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme, levies are made on the Nominal Defendant to cover the cost of employees' annual leave and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Superannuation

Employer superannuation contributions are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Contributions for accumulation plans are made to eligible complying superannuation funds based on the rates specified in the relevant enterprise bargaining agreements or other conditions of employment.

The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary's Office.

Key management personnel and remuneration disclosures are detailed in **Note 18**.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

6. SUPPLIES AND SERVICES

	2022	2021
	\$'000	\$'000
QIC management fee	3,404	3,369
Queensland Treasury corporate services fee	440	487
Rent	233	202
IT related expense	207	161
Queensland Treasury actuarial fees	124	107
NIISQ* corporate services fee	26	-
Consultants and contractors	37	82
Supplies and consumables	13	37
Total	4,484	4,445

* National Injury Insurance Scheme Queensland (NIISQ)

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

Under AASB 16 *Leases*, lease arrangements with substantive substitution rights or of low value are recognised as an expense when incurred and exempt from recognition on the Statement of Financial Position. The Nominal Defendant's office accommodation falls under government-wide framework arrangements which are exempt under AASB 16 as the arrangements are categorised as procurement of services rather than as leases because the Department of Energy and Public Works has substantive substitution rights over the assets. As such, accommodation costs incurred by the Nominal Defendant are recognised under "Rent" expense.

7. OTHER EXPENSES

	2022	2021
	\$'000	\$'000
Queensland Audit Office - external audit fees	43	41
Insurance premiums - QGIF	2	2
Total	45	43

Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$43,500 (2021: \$41,200).

8. RECEIVABLES

	2022	2021
	\$'000	\$'000
GST receivable	63	48
Leave reimbursements	29	38
Total	92	86

Receivables are recognised at the amounts due at the time of service delivery or when they are legally payable to the Nominal Defendant. Settlement of these amounts is generally required within 30 days. The collectability of receivables is assessed periodically and a loss allowance is recognised for expected credit losses based on reasonable and supportable forward-looking information.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

8. RECEIVABLES – continued

The Nominal Defendant's receivables are from Queensland and Australian Government entities. No loss allowance is recognised for these receivables on the basis of materiality. Refer to **Note 13** for the Nominal Defendant's credit risk disclosures. Where the Nominal Defendant has no reasonable expectation of recovering an amount owed by a debtor, the debt will be written off.

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 financial statements in the period in which they are received. The outstanding recoveries are reviewed on an ongoing basis by the Nominal Defendant.

9. INTANGIBLES

	2022	2021
	\$'000	\$'000
Internally generated software: At cost		
Gross	3,634	3,634
Less: Accumulated amortisation	(3,634)	(3,634)
Carrying amount at 30 June	-	-
<i>Represented by movements in carrying amount:</i>		
Carrying amount at 1 July	-	433
Amortisation	-	(433)
Carrying amount at 30 June	-	-

Intangible assets with a historical cost or other value greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed.

The Nominal Defendant's only intangible asset is a software system. There is no active market for the intangible asset. As such, the asset is recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Costs associated with the development of the internally generated software have been capitalised and expenditure on research activities have been expensed in the period in which they were incurred.

The intangible asset has a finite useful life and is amortised on a straight-line basis over its estimated useful life to the Nominal Defendant, commencing from the date the asset became available for use. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The asset had an estimated useful life of 7 years and was fully amortised in 2020-21. The asset is still in use.

A review of asset useful life and assessment for impairment indicators is performed annually. Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset. As the Nominal Defendant's intangible asset has been fully amortised, an impairment assessment was not required in 2021-22.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

10. NET OUTSTANDING CLAIMS

	2022	2021
	\$'000	\$'000
Gross outstanding claims	126,097	130,021
Claims settlement costs	12,363	12,491
	<u>138,460</u>	<u>142,512</u>
Discount to present value	(13,491)	(4,656)
Gross outstanding claims liability	124,969	137,856
<i>Represented by</i>		
Current	35,910	38,735
Non-current	89,059	99,121
Gross outstanding claims liability	124,969	137,856
Reinsurance and other recoveries	2,473	5,115
Discount to present value	(241)	(268)
Reinsurance and other recoveries	2,232	4,847
<i>Represented by</i>		
Current	641	692
Non-current	1,591	4,155
Reinsurance and other recoveries	2,232	4,847
Net outstanding claims	122,737	133,009
Central estimate	122,737	133,009
Risk margin	-	-
Net outstanding claims	122,737	133,009

(a) Reconciliation of movement in the discounted net outstanding claims

	Nominal Defendant		FAI		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	133,009	133,992	-	5,211	133,009	139,203
Prior periods						
Claim payments	(30,845)	(32,176)	-	(2,952)	(30,845)	(35,128)
Claims handling expenses	(2,940)	(3,334)	-	-	(2,940)	(3,334)
Discount unwind	48	172	-	9	48	181
Risk margin release	-	-	-	(473)	-	(473)
Effect of changes in assumptions and experience	(12,412)	431	-	(1,795)	(12,412)	(1,364)
Current period						
Provision for current period	35,877	33,924	-	-	35,877	33,924
Net outstanding claims	122,737	133,009	-	-	122,737	133,009
Reinsurance and other recoveries	(2,232)	(4,847)	-	-	(2,232)	(4,847)
Gross outstanding claims	124,969	137,856	-	-	124,969	137,856

The liability for outstanding claims has been actuarially calculated as at 30 June by the State Actuary's Office.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

10. NET OUTSTANDING CLAIMS – continued

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 claims files and estimating unnotified claims and settlement costs using statistics based on past experiences and trends. The liability for outstanding claims is measured as the present value of the expected future payments. 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 and superimposed inflation.

There are no outstanding claims liability attributable to FAI as noted in **Note 4**.

(b) Actuarial assumptions

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

	2022 \$'000	2021 \$'000
Inflation rate	4.32%	2.61%
Discount rate	3.37%	0.99%
Claims handling expenses	10.00%	10.00%
Risk margin	0.00%	0.00%
Weighted average term to settlement	3.3 years	3.4 years

As there is nil outstanding claims liability attributable to FAI as at 30 June 2021 and 30 June 2022, the actuarial assumptions are not applicable for FAI.

(c) Impact of changes in key variables on net outstanding claims

The following table illustrates how a change in some key valuation assumptions in section (b) above affects the net outstanding claims and shows an analysis of the profit/(loss) and equity changes in these assumptions. Note that the table is illustrative only, and is not intended to cover the range of potential variations.

Net outstanding claims	Movement in variable	Financial impact			
		Profit/(loss)	Equity	Profit/(loss)	Equity
		2022 \$'000	2022 \$'000	2021 \$'000	2021 \$'000
Inflation rate	+1%	(3,883)	(3,883)	(4,771)	(4,771)
	-1%	3,688	3,688	4,503	4,503
Discount rate	+1%	3,269	3,269	4,042	4,042
	-1%	(3,510)	(3,510)	(4,372)	(4,372)
Claims handling expenses	+1%	(1,116)	(1,116)	(1,209)	(1,209)
	-1%	1,116	1,116	1,209	1,209
Weighted average term to settlement	+0.5 years	(984)	(984)	(963)	(963)
	-0.5 years	976	976	956	956

Notes to and forming part of the financial statements

for the year ended 30 June 2022

10. NET OUTSTANDING CLAIMS – continued

(d) Nature and extent of risks arising from claims liabilities

The Nominal Defendant ensures that it is fully funded to enable it to meet its obligations under the Act. This is facilitated by an actuarially derived levy which is incorporated in the CTP premium charged by the respective CTP policy insurers. The levy is derived by taking into consideration such factors as claim frequency, average claim size, wages, inflation, applicable discount rates, operating expenses and cost of reinsurance. The levy amount is supplemented by investment income derived from investing the levy and other income from reinsurance and non-reinsurance recoveries.

The Nominal Defendant did not enter into a contract for reinsurance cover for the 2020-21 and 2021-22 financial years. This was based on considerations of the cost of reinsurance and the Nominal Defendant's exposure to large loss claims.

11. EQUITY

In accordance with *Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities*, non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities are adjusted against contributed equity. To the extent this causes the contributed equity to reduce below zero, the balance is adjusted against accumulated surplus.

Effective 10 February 2021, the Nominal Defendant transferred \$50 million to the National Injury Insurance Scheme Fund, Queensland (NIISQ Fund) as approved by the Treasurer, Minister for Infrastructure and Planning under section 95 of the *National Injury Insurance Scheme (Queensland) Act 2016* (the NIISQ Act). The NIISQ Act commenced on 1 July 2016 and established the National Injury Insurance Scheme, Queensland (NIISQ), The National Injury Insurance Agency, Queensland (NIIAQ) and the NIISQ Fund.

The decrease in net assets as a result of the transfer has been accounted for as a transaction with owners as owners and is disclosed in the Statement of Changes in Equity as a \$50 million decrease in accumulated surplus.

12. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

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

Level 1	unadjusted quoted prices in active markets for identical assets or liabilities the entity can access;
Level 2	inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
Level 3	unobservable input.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

12. FAIR VALUE MEASUREMENT – continued

	Level 2		Level 3		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Other financial assets	478,160	549,496	59,017	-	537,177	549,496
Total	478,160	549,496	59,017	-	537,177	549,496

The Nominal Defendant recognises other financial assets invested with QIC at fair value through profit or loss. Fair value gains and losses are recognised in the Statement of Comprehensive Income. Classification of instruments into fair value hierarchy levels is reviewed annually.

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

The carrying amount for cash assets represents the fair value.

Fair value hierarchy – Level 1

None of the Nominal Defendant's valuation of financial assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

Fair value hierarchy – Level 2

The Nominal Defendant measures investments in the QIC Short Term Income Fund, QIC Australian Fixed Interest Fund and QIC Long Term Diversified Fund at market value based on closing unit prices of QIC unlisted unit trusts.

While the units in these unit trusts have redemption prices and are able to be traded, the market would not be considered active for level 1, therefore, they are considered to be level 2. A market comparison valuation approach is used, with the units carried at redemption value as reasonably determined by the fund manager.

Fair value hierarchy – Level 3

The Nominal Defendant holds investments in the QIC Registry Trust. These financial assets are not traded in an active market and include infrastructure assets which are held through investments in unlisted debt and equity instruments issued by portfolio companies.

The fair value reported by the Nominal Defendant is based on QIC's determination of the investments' fair value. The valuations of the underlying investments are based on unobservable inputs and their fair value is determined by QIC via independent valuations in accordance with QIC's Investment Valuations Policy. The sensitivity of the fair value measurement to market changes is outlined in **Note 13(c)**.

The Nominal Defendant transferred funds from the QIC Long Term Diversified Fund to the QIC Registry Trust in 2021-22, resulting in a transfer from level 2 to level 3. The transfer between the fair value hierarchy levels is recognised at the time of the QIC funds transfer.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

12. FAIR VALUE MEASUREMENT – continued

Reconciliation of Level 3 fair value movements

	2022	2021
	\$'000	\$'000
Other financial assets - QIC Registry Trust		
Carrying amount at 1 July	-	-
Transfers into level 3 from level 2	53,700	-
Distributions	(7,774)	-
Gains/(losses) recognised in operating result	13,091	-
Carrying amount at 30 June	59,017	-

13. FINANCIAL RISK DISCLOSURES

(a) Categorisation of financial instruments

The Nominal Defendant has the following categories of financial assets and financial liabilities:

Category	Note	2022	2021
		\$'000	\$'000
Financial assets			
Cash and cash equivalents		8,104	9,378
Receivables (amortised cost)	8	92	86
Other financial assets (FVTPL)		537,177	549,496
Total		545,373	558,960
Financial liabilities			
Current payables (amortised cost)		328	297
Total		328	297

The Nominal Defendant's receivables are measured at amortised cost as they are held for collection of contractual cash flows that are solely payments of principal and interest.

Nominal Defendant's other financial assets consists of investments with QIC. As disclosed in **Note 12**, these are measured at fair value through profit or loss (FVTPL) in accordance with AASB 9 *Financial Instruments*. The investments are held within a business model of being managed and evaluated on a fair value basis according to QIC's investment strategy.

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

Notes to and forming part of the financial statements
for the year ended 30 June 2022

13. FINANCIAL RISK DISCLOSURES - continued

(b) Financial risk management

The Nominal Defendant's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk.

Risk exposure is measured using a variety of methods:

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

(i) Credit risk

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

The carrying amount of financial assets disclosed in **Notes 8** and **13(a)** represents the Nominal Defendant's maximum exposure to credit risk at balance date.

The Nominal Defendant seeks to reduce the exposure to credit risk in the following manner:

- invest in secure assets through QIC with regular reviews of the investment strategy through frequent communication and meetings with QIC regarding Nominal Defendant's future cash requirements and to agree the investment mandate;
- all funds owed are monitored on a timely basis; and
- assess credit risk exposure, including any concentrations of risk, on an ongoing basis.

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

The Nominal Defendant does not expect any material credit losses in relation to its receivables disclosed in **Note 8**. The debtor group comprises of Queensland and Australian Government entities and are expected to have an insignificant level of credit risk exposure having regard to the nature and credit ratings of these entities.

(ii) Liquidity risk

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

The Nominal Defendant is exposed to liquidity risk in respect of its current and non-current payables. The current and non-current classification represents the expected maturity of the payables. The Nominal Defendant manages its exposure to liquidity risk by ensuring that the Nominal Defendant has sufficient funds available to meet its liabilities. This is achieved by monitoring the QIC investment funds and maintaining minimum cash balances within its bank account to meet both short-term and long-term cash flow requirements.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

13. FINANCIAL RISK DISCLOSURES - continued

(iii) Market risk

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

The significant market risks to the Nominal Defendant relate to its investments managed by QIC. The investment portfolio includes investments in cash, fixed interest funds, property, infrastructure, private equity, international and Australian equities, and alternative funds. The market risk of the investment portfolio comprises the risk that the unit price of the funds will change during the next reporting period (effectively price risk).

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

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

(c) Market risk sensitivity analysis

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

The Nominal Defendant's sensitivity to these possible changes are shown in the table below.

	2022				2021			
	Movement in variable		Impact on Profit / Equity		Movement in variable		Impact on Profit / Equity	
	Low %	High %	Decrease \$'000	Increase \$'000	Low %	High %	Decrease \$'000	Increase \$'000
Investments								
QIC Short Term Income Fund	-2.00	2.00	(3,216)	3,216	-1.00	1.00	(849)	849
QIC Australian Fixed Interest Fund	-	-	-	-	-0.25	0.25	(207)	207
QIC Long Term Diversified Fund	-12.00	12.00	(38,086)	38,086	-11.00	11.00	(41,989)	41,989
QIC Registry Trust	-10.00	10.00	(5,902)	5,902	-	-	-	-
Total			(47,203)	47,203			(43,045)	43,045

The interest rate risk associated with the Nominal Defendant's cash and cash equivalents is immaterial.

14. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

The Nominal Defendant did not have any contingent assets or liabilities at 30 June 2022.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

14. CONTINGENCIES AND COMMITMENTS – continued

(b) Operating expenditure commitments

Material operating expenditure commitments, inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	2022	2021
	\$'000	\$'000
No later than one year	1,362	163
1-5 years	46	-
Total	1,408	163

15. EVENTS OCCURRING AFTER THE REPORTING DATE

The Nominal Defendant has not had any material events occur after 30 June 2022.

16. FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

Australian accounting standards and interpretations with future effective dates are either not applicable to the Nominal Defendant's activities or have no material impact.

AASB 17 Insurance Contracts

AASB 17 *Insurance Contracts* applies to annual reporting periods beginning on or after 1 January 2023 and establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. The standard requires all insurance contracts to be accounted for in a consistent manner and measures insurance contracts either under the general model or a simplified version of this called 'premium allocation approach'. When applied, AASB 17 will replace AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*.

Public sector entities are currently excluded from the scope of AASB 17. The Australian Accounting Standards Board (AASB) has issued Exposure Draft 319 proposing public sector specific amendments to AASB 17, including a proposed effective date of 1 July 2025 for public sector entities.

The Nominal Defendant will continue to monitor updates from the AASB in this regard and will undertake an assessment of any significant impacts to recognition, measurement, presentation, and disclosure of its insurance contracts against this new standard as appropriate.

17. BUDGETARY REPORTING DISCLOSURES

In accordance with AASB 1055 *Budgetary Reporting*, the budget information presented to parliament has been restated for disclosure purposes to align with the presentation and classification bases adopted for the corresponding actual information in the financial statements, to facilitate a comparison of actual outcomes against the budget.

A budget versus actual comparison and explanation of major variances has not been included for the Statement of Changes in Equity as major variances relating to that statement have been addressed in explanations of major variances for other statements.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

17. BUDGETARY REPORTING DISCLOSURES – continued

Explanations of major variances

Statement of Comprehensive Income

<i>Reinsurance and other recoveries</i>	The decrease in reinsurance and other recoveries reflects the movement in claim recoveries on outstanding claims as at 30 June based on actuarial assessment.
<i>Net fair value losses/gains on other financial assets</i>	The decrease in net fair value losses on other financial assets is primarily due to lower than expected earnings on investments as a result of downturns in the equity market.
<i>Gross claims incurred</i>	The variance in gross claims incurred is a result of \$1.1 million lower than anticipated claims costs and \$15.5 million lower than anticipated movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment.
<i>Employee expenses</i>	The variance in employee expenses is primarily due to delays in filling vacancies during 2021-22.
<i>Supplies and services</i>	The variance in supplies and services is primarily due to lower than anticipated computer related costs associated with the claims management system.

Statement of Financial Position

<i>Cash and cash equivalents</i>	The cash balance is lower than projected as detailed in the Statement of Cash Flows.
<i>Receivables</i>	The variance is due to fluctuations in accrued receivables as at 30 June.
<i>Other financial assets (current and non-current)</i>	The variances in other financial assets reflects reclassifications between current and non-current other financial assets combined with higher audited opening balances than projected in the budget.
<i>Claim Recoveries (current and non-current)</i>	The variance in claim recoveries on outstanding claims reflects actuarial assessment as at 30 June.
<i>Unearned levies</i>	The variance in unearned levies reflects a lower audited opening balance than projected in the budget.
<i>Outstanding claims liability (current and non-current)</i>	The movement in the current and non-current outstanding claims liability reflects actuarial assessment as at 30 June.
<i>Accumulated surplus</i>	The increase in accumulated surplus reflects a higher audited opening balance partially offset by a lower than anticipated operating result in 2021-22.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

17. BUDGETARY REPORTING DISCLOSURES – continued

Statement of Cash Flows

<i>Claim recoveries</i>	The increase in other recoveries is due to recoveries received which was not budgeted for.
<i>GST input tax credits from ATO</i>	The variance is due to the amount of input tax credits paid by the Australian Taxation Office (ATO) for supplier invoices processed which was not budgeted for.
<i>Gross claims incurred</i>	The variance in gross claims incurred is a result of lower than anticipated claim payments.
<i>Employee expenses</i>	The variance in employee expenses is primarily due to delays in filling vacancies during 2021-22.
<i>Supplies and services</i>	The variance in supplies and services is primarily due to lower than anticipated computer related costs associated with the claims management system.
<i>GST paid to suppliers</i>	The variance is due to the amount of GST paid for supplier invoices processed which was not budgeted for.
<i>Investing activities</i>	The variances in cash flows from investing activities reflect QIC cash investments and drawdowns performed during the year to meet cash flow requirements.

18. KEY MANAGEMENT PERSONNEL AND REMUNERATION

Details of key management personnel

The Treasurer and Minister for Trade and Investment is identified as part of Nominal Defendant's key management personnel (KMP), consistent with additional guidance included in the revised version of *AASB124 Related Party Disclosures*.

The following details for non-Ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the Nominal Defendant during 2021-22 and 2020-21. Key management personnel also provided services to the Motor Accident Insurance Commission (MAIC), the Queensland Government Insurance Fund (QGIF) within Queensland Treasury and NIISQ as part of their overall role. The remuneration disclosed below relates to their service as a KMP of the Nominal Defendant for the period. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

18. KEY MANAGEMENT PERSONNEL AND REMUNERATION - continued

Position	Responsibilities
Insurance Commissioner	Leads the efficient, effective and economic administration of the Nominal Defendant.
General Manager MAIC	Leads and manages the strategies, policies and performance with respect to the Nominal Defendant claims unit.
General Manager Innovation and Delivery ⁽¹⁾ (from 1 November 2021)	Responsible for efficient and effective project management, development, business systems strategic planning and management for the Nominal Defendant.
Director Finance, Procurement and Systems (to 19 November 2021)	Responsible for the efficient, effective and economic financial administration and procurement of the Nominal Defendant and oversight of the development and maintenance of the core business system for the organisation.
Director Finance, Risk and Assurance (from 29 November 2021)	Responsible for the risk management and procurement function, and ensuring the efficient, effective and economical financial management of the Nominal Defendant.
Director People, Policy and Communication ⁽²⁾	Responsible for managing the Nominal Defendant's human resources, communication and policy function.
Director Analytics	Responsible for data analysis, reporting and business intelligence functions for the Nominal Defendant.

(1) This is a NIISSQ position and remuneration is disclosed in the NIISSQ financial statements. NIISSQ charges a corporate support fee for services provided to the Nominal Defendant.

(2) This role was previously named Director Policy, Performance and Improvement.

Remuneration policies

The Treasurer and Minister for Trade and Investment's ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Nominal Defendant does not bear any cost of remuneration of Ministers. The majority of ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and whole-of-government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the Nominal Defendant's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment (including motor vehicle entitlements) for the KMP are specified in employment contracts.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

18. KEY MANAGEMENT PERSONNEL AND REMUNERATION - continued

Remuneration packages for KMP comprise the following components:

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

Remuneration expense

The following disclosures focus on the expenses incurred solely by the Nominal Defendant that is attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

1 July 2021 to 30 June 2022

Position	Short term employee expenses - monetary expenses* \$'000	Long term employee expenses \$'000	Post-employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
Insurance Commissioner	29	1	3	-	33
General Manager MAIC	47	1	5	-	53
Director Finance, Procurement and Systems (to 19 November 2021)	14	-	1	-	15
Director Finance, Risk & Assurance (from 29 November 2021)	10	-	1	-	11
Director People, Policy and Communication	16	-	2	-	18
Director Analytics	19	-	2	-	21

*The Nominal Defendant does not have any non-monetary benefits to disclose in relation to its KMP.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

18. KEY MANAGEMENT PERSONNEL AND REMUNERATION – continued

1 July 2020 to 30 June 2021

Position	Short term employee expenses - monetary expenses* \$'000	Long term employee expenses \$'000	Post-employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
Insurance Commissioner	49	1	5	-	55
General Manager MAIC	47	1	5	-	53
Director Finance, Procurement and Systems	30	1	4	-	35
Director People, Policy and Communication	17	-	2	-	19
Director Analytics	15	-	2	-	17

*The Nominal Defendant does not have any non-monetary benefits to disclose in relation to its KMP.

No KMP remuneration packages were provided for performance or bonus payments.

19. RELATED PARTY TRANSACTIONS

Transactions with people/entities related to KMP

During the financial year there were no transactions with people or entities related to KMPs of the Nominal Defendant.

Transactions with other Queensland Government-controlled entities

The Nominal Defendant received levy income from DTMR in accordance with the Act. These are disclosed in **Note 3**.

Claim payments of \$0.8 million were made by the Nominal Defendant to Workcover in 2021-22, which are included in the claims and associated settlement costs disclosed in **Note 4**.

The Nominal Defendant has a corporate support arrangement in place with MAIC and NIISQ for the receipt and provision of administrative and corporate support services between the three entities. Queensland Treasury also provides corporate support and actuarial services to the Nominal Defendant. These are disclosed in **Note 6**.

The Nominal Defendant incurred management fees from QIC for the management of the QIC unlisted unit trusts as disclosed in **Note 6**.

Notes to and forming part of the financial statements
for the year ended 30 June 2022

20. TAXATION

The Nominal Defendant is a statutory body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Nominal Defendant. GST credits receivable from, and GST payable to the ATO, are recognised in the Statement of Financial Position (refer to **Note 8**).

21. FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Accounting standards applied for the first time

No new accounting standards or interpretations that apply to the Nominal Defendant for the first time in 2021-22 had any material impact on the financial statements.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2021-22.

22. CLIMATE RISK DISCLOSURE

The Nominal Defendant has not identified any material climate related risks relevant to the financial report at the reporting date. The Nominal Defendant continues to monitor the emergence of such risks under the Queensland Government's Climate Transition Strategy, and Climate Action Plan 2030.

Management certificate

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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Nominal Defendant for the financial year ended 30 June 2022 and of the financial position of the Nominal Defendant at the end of that year; and

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



A BUI

B.Bus, LLB, FGIA, CPA

Director Finance, Risk and Assurance

31 August 2022



N SINGLETON

B.Bus (Insurance), MBA

Insurance Commissioner

31 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Insurance Commissioner of Nominal Defendant

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Nominal Defendant.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

Responsibilities of the Insurance Commissioner for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Insurance Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

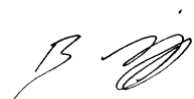
Statement

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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



Brydie Morris
as delegate of the Auditor-General

1 September 2022

Queensland Audit Office
Brisbane

Appendices

Appendix 1: Actuarial certificate, Nominal Defendant Fund

Actuarial Certificate

Queensland Nominal Defendant Fund

Outstanding Claims Liability as at 30 June 2022

The State Actuary's Office was asked by the Nominal Defendant to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities as at 30 June 2022 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 "Outstanding Claims Liability Review 30 June 2022 Nominal Defendant". The advice set out in our report has been prepared in compliance with the relevant accounting standard AASB 137 and Professional Standard 302 of the Institute of Actuaries of Australia.

Results

The recommended provision for the Nominal Defendant as at 30 June 2022 is \$122.7 million, comprising the central estimate of the liability for outstanding claims. The recommended provision is net of reinsurance and other recoveries. The central estimate is discounted (i.e. allows for investment income on notional assets equivalent to the liabilities), allows for future claim inflation and claim handling expenses.

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.

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 to be expected.



Michael Clacher



Arie van den Berg

Fellows of the Institute of Actuaries of Australia
29 July 2022

Appendix 2: Licensed insurers

Currently licensed CTP insurers	Previously licensed CTP insurers
<p>AAI Limited (trading as Suncorp Insurance) GPO Box 1453 Brisbane QLD 4001 Ph 13 11 60 (CTP) ABN 48 005 297 807</p> <p>Allianz Australia Insurance Limited GPO Box 2226 Brisbane Qld 4001 Ph 131 000 ABN 15 000 122 850</p> <p>QBE Insurance (Australia) Limited GPO Box 1072 Brisbane Qld 4001 Ph (07) 3031 8418 (CTP) ABN 78 003 191 035</p> <p>RACQ Insurance Limited PO Box 3004 Logan City DC QLD 4114 Ph (07) 3893 9001 (CTP) ABN 50 009 704 152</p>	<p>Insurance Australia Limited (trading as NRMA Insurance) ABN 11 000 016 722 <i>Licence withdrawn 1 January 2014.</i></p> <p>Suncorp Metway Insurance Limited ABN 83 075 695 966 <i>Licence withdrawn 1 July 2013.</i></p> <p>Australian Associated Motor Insurers Limited ABN 92 004 791 744 <i>Licence withdrawn 1 July 2013.</i></p> <p>FAI Allianz Limited (trading as FAI Insurance) ABN 80 094 802 525 <i>Licence withdrawn 1 July 2002.</i></p> <p>FAI General Insurance Company Limited ABN 15 000 327 855 <i>Licence suspended on 1 January 2001. Insurer became insolvent on 15 March 2001.</i></p> <p>Fortis Insurance Limited (formerly VACC Insurance Co. Limited) ACN 004 167 953 <i>Licence withdrawn 25 September 2017.</i></p> <p>Zurich Australian Insurance Limited ACN 000 296 640 <i>Licence withdrawn 15 November 1997.</i></p> <p>Commercial Union Assurance of Australia Ltd ACN 004 478 371 <i>Licence withdrawn 1 March 1997.</i></p> <p>CIC Insurance Limited ACN 004 078 880 <i>Licence withdrawn 22 January 1996.</i></p> <p>Insurer became insolvent on 15 March 2001. GIO General Limited ACN 002 861 583 <i>Licence withdrawn 30 June 1996.</i></p> <p>Mercantile Mutual Insurance (Australia) Ltd ACN 000 456 799 <i>Licence withdrawn 1 November 1996.</i></p>

Appendix 3: Performance statement (SDS)

Service standards	Notes	2021–22 Published Annual Target	2021–22 Revised Annual Target	2021–22 Actual
Effectiveness measures				
Highest annual CTP premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings	1	<45%	<45%	21.4%
Percentage of Nominal Defendant managed claims finalised compared to the number outstanding at the start of the financial year	2	50%	50%	54.8%
Discontinued measures				
Percentage of Nominal Defendant claims settled within 2 years of compliance	3	50%	72%	62.1%
Percentage of Nominal Defendant claims with general damages paid within 60 days of the settlement date	3	95%	95%	95.3%

Notes: 1. The average Affordability Level for the 2021–22 Financial Year is 21.4%. The Affordability Level as at 30 June 2022 is 21.3%.

2. Claims can take two to three years to settle; consequently, it is difficult to estimate the number of claims that will be finalised in any given period.

3. The service standard has been discontinued as it is a measure of timelines and does not meet the requirements under the Queensland Government Performance Management Framework as a measure of efficiency and will be replaced by a new measure in 2023.

Appendix 4: Grants and sponsorships

Organisation	2021/22 \$	2020/21 \$
University of Queensland RECOVER Injury Research Centre formerly (CONROD) (2020 - 2022)	1,412,782	1,378,792
Queensland University of Technology Centre for Accident Research and Road Safety Queensland (CARRS-Q) (2019 – 2021)	2,051,081	2,449,744
Griffith University Provide funding to establish Hopkins Centre to foster research into disability and rehabilitation	1,111,037	1,208,441
Metro North Hospital and Health Service Jamieson Trauma Institute advancing trauma prevention, research, systems and care for people who suffer a traumatic injury	2,017,993	2,013,210
University of Sunshine Coast Road Safety Research Collaboration	905,456	883,205
University of Sunshine Coast Drug Driving Research Unit	1,044,520	996,282
Department of Transport and Main Roads Funding to support Transport Academic Partnership 2020-2025 formerly Academic Strategic Transport Alliance (ASTRA)	62,864	61,327
Griffith University Spinal Cord Therapy research	2,053,956	1,854,091
Police Citizens Youth Welfare Association (PCYC Queensland) Funding to support operation of Braking the Cycle program across 14 branches over three years	3,099,354	2,982,726
Spinal Life Australia Back 2 Work – Vocational rehabilitation project	616,441	0
University of Sydney Partnership funding to develop website to support improved physiotherapy treatment for people with whiplash	0	25,000
Metro South Hospital and Health Service Transitional rehabilitation service pilot (2016 – 2021).	1,030,000	3,105,725
University of Queensland via Children's Health Foundation Queensland Partnership funding to establish a Queensland Chair in Paediatric Rehabilitation (2017 – 2022)	150,000	200,000
University of Queensland To support a Professional Fellowship in Traumatic Brain Injury Research at the Queensland Brain Institute (2021 – 2024)	372,699	345,565
University of Queensland Funding to support the PREDICT-TBI research project to develop an early assessment and prognostic model to predict a patients recovery following a TBI	733,998	0
Griffith University Research to investigate motorhomes and recreational hire vehicle safety with Apollo Tourism and Leisure Pty Ltd	37,217	0

Organisation	2021/22 \$	2020/21 \$
Metro North Hospital and Health Service Dr Cliff Pollard Trauma Fellowship	0	210,510
Prince Charles Foundation Pilot project to redesign ICU environments to optimise patient outcomes and experiences	156,750	0
Road Trauma Mitigation Fund Collaborate with Queensland Police Service and Department of Transport and Main Roads around identified initiatives to reduce claims frequency and support Qld Road Safety Strategy and Action Plan	4,809,844	5,008,046
Transport New South Wales Contributory funding towards Motorcycle Protective Clothing testing initiative	85,000	85,000
Department of Transport and Main Roads Queensland Contributory funding towards Cooperative and Autonomous Vehicle pilot	0	1,500,000
Queensland University of Technology Support Fellowship to establish a linked road crash injury database	191,354	157,603
University of Queensland My Whiplash Navigator	66,490	0
University of Queensland Improving outcomes for children with persistent post- concussive symptoms.	0	113,816
Griffith University Developing and testing a novel neural restoration technology for people with a spinal cord injury	420,998	752,185
Queensland Trucking Association A pilot study monitoring truck drivers	0	49,100
Emergency Medicine Foundation Funding to support research for trauma and emergency care in regional, rural and remote Queensland	0	120,000
University of Queensland Funding to support sleep studies in children with traumatic brain injuries.	484,416	0
Griffith University First Peoples and CTP Initiative	186,162	0
Queensland University of Queensland Road Trauma Modelling.	168,092	160,059
University of Queensland Assessing older adults' fitness to drive and a GP assessment tool	0	32,624
Police Citizens Youth Welfare Association (PCYC Queensland) Funding to pilot a culturally appropriate Braking the Cycle program in the Naparrannu community	71,470	67,776
Griffith University Healthy Heads in Trucks and Sheds Pilot study evaluating an initiative to improve the safety, health and well-being of heavy vehicle drivers	0	96,760
Bionics Queensland Funding to support a range of initiatives including the Bionics Queensland Challenge 2021	26,000	614,000

Organisation	2021/22 \$	2020/21 \$
Centre for Accident Research and Road Safety (CARRS-Q) Recidivist drivers research study	38,758	38,758
Sunshine Coast Council Rear Enders Pilot Study	0	196,000
Gold Coast City Council Analytics pilot study to improve road safety management capabilities for the City of Gold Coast	0	171,064
Queensland Health Contribution towards Queensland Government Data Analytics pilot	0	150,000
Sponsorships Provide sponsorships to one-off activities aimed at accident prevention or enhancing injury management/rehabilitation	42,768	3,230

Organisation	2021/22 \$	2020/21 \$
Total funding committed/allocated	23,447,499	27,030,638
<i>Less refunds of residual grant funding</i>		
Road Trauma Mitigation Fund	(234,201)	(413,674)
Metro South Hospital and Health Service Transitional rehabilitation service pilot (2016 – 2021)	(283,327)	(113,768)
Police Citizens Youth Welfare Association (PCYC Queensland) Funding to support operation of Braking the Cycle program across 14 branches over three years		(89,687)
Metro North Hospital and Health Service Jamieson Trauma Institute advancing trauma prevention, research, systems and care for people who suffer a traumatic injury	(214,018)	(90,947)
University of Sunshine Coast A study situation awareness fast tracking, including identifying escape routes (SAFER) focused on peer passengers	(51,509)	
Centre for Accident Research and Road Safety (CARRS-Q) Undertake analysis of fatal and serious injury crashes by region	(46,541)	
University of Queensland RECOVER Injury Research Centre (formerly CONROD)		(7,254)
Spinal Life Australia- Contribution towards continuation of Queensland school awareness programme – Spinal Education Awareness Team (SEAT).		(62,274)
University of Sunshine Coast A study of situation awareness fast tracking, including identifying escape routes (SAFER) with senior drivers		(3,818)
Queensland University of Technology Data Linkage Fellowship.	(2,819)	0
University of Queensland A study to review healthcare services being utilised by children with a traumatic brain injury	(3,453)	
Sponsorship Trauma Conference	(454)	
Total Funding Returned	(836,322)	(781,422)
GRANT TOTAL (Allocated less returned)	22,611,177	26,249,216

Ongoing projects funded in previous years

In the majority of cases, the following projects were previously funded by the Commission through the provision of a one-off payment. This payment is held in trust with the interest used to fund the ongoing operations of each project. The progress of these projects is monitored through regular activity and financial reporting.

- Royal Australian College of General Practitioners Research Fellowship
- Royal Australasian College of Physicians Research Fellowship
- Royal Australasian College of Surgeons Research Fellowship

Research centres

The four Commission funded research centres (RECOVER, CARRS-Q, Hopkins Centre and Jamieson Trauma Institute) and the University of Sunshine Coast Road Safety Collaboration produce six-monthly activity and financial reports covering the research conducted within the centres and providing details on projects funded through other competitive grant processes.

Further information on their research and activities is available by visiting <https://recover.centre.uq.edu.au/>, <https://research.qut.edu.au/carrsq/>, www.hopkinscentre.edu.au, www.metronorth.health.qld.gov.au/jamieson-trauma-institute and <https://www.usc.edu.au/research/accident-research/usc-road-safety-research-collaboration>.

Appendix 5: Glossary

Term	Definition
Claim farming (car crash scamming)	A process where people receive unsolicited contact from someone they do not know about being involved in a motor vehicle accident. Car crash scammers may use unethical or high-pressure tactics to obtain personal details and encourage people to submit or exaggerate a CTP insurance claim.
Compulsory Third Party (CTP) insurance	In Queensland, CTP insurance protects motor vehicle owners and drivers from being personally sued if they are responsible for injuring someone in a motor vehicle accident. It also enables the injured person to claim fair and timely compensation for their injuries and access prompt medical and rehabilitation treatment.
Level 4 highly automated vehicle	Level 4 vehicles – are sometimes known as ‘highly automated’ vehicles – are capable of operating in some driving modes without a human ready to take control. These driving modes may be limited by factors such as speed, weather conditions, or access to high quality digital mapping.
<i>Motor Accident Insurance Act 1994 (MAI Act)</i>	Legislation that governs Queensland’s CTP insurance scheme.
Motor Accident Insurance Commission (MAIC)	A statutory body established under the MAI Act to regulate Queensland’s CTP insurance scheme. This includes licensing and supervising the four private insurers who cover the risk of Queensland motor vehicle owners through the scheme.
Nominal Defendant (ND)	A statutory body that acts as a licensed insurer in the CTP insurance scheme for claims that involve motor vehicles that are unidentified or uninsured (not covered by CTP insurance). It also meets the claims costs associated with licensed insurers that become insolvent.
<i>National Injury Insurance Scheme (Queensland) Act 2016 (NIISQ Act)</i>	Legislation that governs the National Injury Insurance Scheme, Queensland.
National Injury Insurance Scheme, Queensland (NIISQ)	A scheme to ensure that people who suffer eligible serious personal injuries as a result of a motor accident in Queensland receive necessary and reasonable treatment, care and support, regardless of who was at fault.
National Injury Insurance Agency, Queensland (NIIAQ or NIISQ Agency)	The agency that administers the National Injury Insurance Scheme, Queensland.
Queensland Audit Office (QAO)	The independent auditor that promotes accountability and transparency in the Queensland public sector.

