



# **Motor Accident Insurance Commission**

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**Annual Report 2022–23**

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Interpreter

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Visit <https://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

1 September 2023

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 2022–23 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*, and
- 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-2022-23](http://www.maic.qld.gov.au/publications/annual-report-2022-23).

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 crash. 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 or Commission) is the regulatory authority responsible for ongoing management of Queensland's CTP insurance scheme.

MAIC's functions include:

- licensing and supervising CTP insurers and monitoring their compliance
- regulating the CTP insurance scheme
- 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

- monitoring the availability, adequacy and use of rehabilitation services for people injured in crashes
- recommending to government the levies and administration fee payable to cover the costs involved in delivering different components of the CTP insurance scheme
- contributing funds towards research and education to reduce the frequency and severity of motor vehicle crashes and to facilitate rehabilitation of people who are injured in crashes
- maintaining a helpline service from which the public may obtain information on the CTP insurance scheme.

## 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.

## National Injury Insurance Agency, Queensland

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 crashes 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.

The Insurance Commissioner of MAIC is also the Chief Executive Office responsible for managing 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 <https://niis.qld.gov.au/news-and-research/annual-reports>.

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 purpose**

We are here to boldly lead our scheme to create amazing outcomes.

### **Our vision**

By 2026, claimants and motorists will benefit from improved experiences and outcomes through our leadership of an aligned, intelligent and empowering scheme.

### **Our objectives**

We aim to:

- empower and equip our team and culture to be proactive and adaptive
- empower and lead a more aligned, advanced and effective scheme
- empower an easier, clearer claimant journey
- sustain confidence in the scheme and our regulatory and compliance leadership.

### **Our contribution to government objectives for the community**

We also support the Queensland Government's objectives for the community, built around *Unite and Recover – Queensland's Economic Recovery Plan*. Specifically, we support the objective of 'Backing world-class frontline services' through our responsible funding of road trauma-related public services and innovation.

### **Our opportunities**

We embrace the opportunity to:

- create an agile and dynamic culture which responds to changes in our scheme
- improve collaboration with stakeholders and scheme partners to deliver better services
- leverage emerging technologies for enhanced claimant understanding and service provision.

### **Our key risks**

We mitigate risks such as:

- failure of the scheme to respond to economic pressures, unethical practices and other external shocks
- balancing the needs of diverse stakeholders
- failure to keep pace with changing claimant demands and experiences.

### **Our success measures**

Our success is indicated by:

- team culture and effectiveness measures
- scheme efficacy measures and stakeholder feedback
- claimant satisfaction
- Commission efficacy and reputation measures.

# Insurance Commissioner's report

It is again pleasing to report that the Queensland CTP insurance scheme remains stable, fair and affordable.

There are ten objectives for the MAI Act, and pleasingly nine are being met or exceeded, with the only exception relating to premium competition.

Affordability remains sound and stable with CTP insurance premiums for Class 1 cars and sedans rising from \$364 at 1 July 2022 to \$366 at 30 June 2023, representing 20.8 per cent of Average Weekly Earnings compared to 21.3 per cent last year.

Fairness was preserved and improved even further. Scheme efficiency increased from 71 per cent last year to 73 per cent this year, meaning a higher proportion of each premium dollar was paid as a claimant benefit.

The number of new claims coming into the scheme has reduced over the year and the cost of claims has remained stable.

Average insurer profitability over the past five years remains fair at a whole-of-scheme level and above the level assumed when premiums are determined, although there is variation between individual insurers.

The Nominal Defendant team performed exceptionally well during the year and this enabled the Nominal Defendant levy to be reduced for 2023-2024.

The focus on preserving scheme stability was reinforced with the Treasurer announcing in March 2023 that MAIC would undertake a scheme review. The review is focused on opportunities to improve the sustainability of the scheme while preserving aspects that are working well.

During the scheme review, RACQ Insurance (RACQ) announced they intend to exit the scheme from 1 October 2023 for commercial reasons. MAIC is engaged with the remaining licensed insurers and Department of Transport and Main Roads (DTMR) to ensure a smooth transition for people who have CTP insurance with RACQ or CTP claims with RACQ. The scheme review is on hold while MAIC prioritises working with RACQ and DTMR to facilitate the transition.

MAIC secured an important prosecution under the claim farming provisions of the MAI Act, with a one million dollar fine applied to the entity involved. Other prosecutions will likely be heard in the year ahead as MAIC continues to invest resources in detecting and deterring claim farming.

The MAIC and Nominal Defendant innovation roadmaps continue to evolve as we find better ways to deliver services and improve scheme outcomes. MAIC held several forums with insurers and legal representatives to explore ways that the claim process could be further improved. A highlight was seeing our Injury Coding Assistant project, led by Ms Jo Costello (Manager, Scheme Monitoring), listed on the Queensland Government *Our Thriving Digital Future: 2023–26 Action Plan* as one of 13 initiatives supporting a digitally-enabled government.

MAIC funding was renewed for a data-related collaboration across MAIC, the Jamieson Trauma Institute at Metro North Hospital and Health Service, Queensland Police Service (QPS) and the Road Safety Data Bureau in DTMR. This provides surety to all stakeholders involved with the bureau and their work in reducing the incidence and effects of road trauma in Queensland.

For the year ahead, the areas of focus for MAIC are to:

- complete the scheme review and implement approved recommendations
- continue to explore innovative solutions with a focus on digitising the claim process and reducing its duration
- review insurer cyber controls and the use of artificial intelligence and emerging technologies in CTP claims management and customer service processes
- continue to invest in research and initiatives aimed at reducing the incidence and effects of road trauma
- continue stakeholder engagement to explore ways to make the CTP insurance scheme safe and accessible for all Queenslanders.

I thank the MAIC and Nominal Defendant teams for their sustained energy and dedication to improving scheme performance and outcomes during the year. I also thank scheme stakeholders for their ongoing support to ensure Queensland road users continue to benefit from the best CTP insurance scheme in Australia.



Neil Singleton  
Insurance Commissioner

# Report card

Highlights	Performance indicators	Target	Outcome
<b>Objective 1. Empower and equip our team and culture to be proactive and adaptive</b>			
Bring together and empower the right people, culture and resources	• Delivered a comprehensive cultural and leadership program in partnership with the NISQ Agency	Achieved	Achieved
	• Improved team wellbeing through the delivery of trauma informed practice training	Achieved	Achieved
Develop a deep and evolving understanding of claimants' needs and experiences	• MAIC-funded research centres Hopkins Centre, Jamieson Trauma Institute and RECOVER have incorporated clinician or patient liaison consultation process to inform current and future research initiatives	Achieved	Achieved
	• Responded to enquiries from more than 2,420 claimants and members of the public	Achieved	Achieved
<b>Objective 2. Empower and lead a more aligned, advanced and effective scheme</b>			
Lead and empower partnerships to deliver improved claimant and motorist outcomes	• Strong partnerships in place with the Jamieson Trauma Institute, Bionics Queensland, Hopkins, CARRS-Q, USC Road Safety Research Centre, RECOVER, PCYC, Emergency Medicine Foundation and the Queensland Brain Institute	Achieved	Achieved
Lead co-design and innovation in the scheme	• Delivered secure document exchange and CCTV search enhancements to Nominal Defendant claims management system	Achieved	Achieved
	• Delivered three external engagement activities on innovation	Achieved	Achieved
	• Built new data platform and data analytics architecture	Achieved	Achieved
	• Transition legacy programs to new data platform	Achieved	On track
<b>Objective 3. Empower an easier, clearer claimant journey</b>			
Clarify and simplify claimants' steps and interactions with the CTP insurance scheme	• Commenced forums with licensed insurers and the legal industry to explore opportunities to deliver faster, easier claims experiences with improved access to treatment and rehabilitation	Achieved	Achieved
Improve access to personalised treatment and care	• Received more than 1,200 treatment plans lodged through the Queensland CTP claim portal	Achieved	Achieved
	• Funded the TBI Predict Research study involving multiple sites across Queensland to validate the use of MRI to predict outcomes for those with Traumatic Brain Injury (TBI)	Achieved	Achieved
	• Contributed funds to the New Intensive Care Unit of the Future at Prince Charles Hospital, launched in December 2022	Achieved	Achieved
<b>Objective 4. Sustain confidence in the scheme and our regulatory and compliance oversight</b>			
Proactive management of scheme, Commission and Nominal Defendant risks, efficiency and impact	• Successful claim farming prosecution resulting in fines of \$1.0 million	Achieved	Achieved
	• Highest annual CTP insurance premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings <sup>1</sup>	<45%	Achieved (20.8%)
	• Percentage of Nominal Defendant managed claims finalised compared to the number outstanding at the start of the financial year <sup>2</sup>	60%	On track (44.1%)
	• Percentage of total premiums collected, paid to claimants <sup>3</sup>	>60%	Achieved (73%)
Lead and model continuous improvement across the scheme	• Commenced a review of the CTP insurance scheme to ensure ongoing affordability and fairness for Queenslanders	Review submissions received	Achieved (19 submissions received)
	• Commenced development of a Grants Management Tool to ensure good governance for activities funded by MAIC	Achieved	Achieved

Notes: 1. Measured at 30 June 2023.

2. The variance between the '2022–23 Target/Estimate' and the '2022–23 Actual' is due to the proportion of claims finalised by the Nominal Defendant varying from year to year, with factors outside of their control including the severity of claimants' injuries and complexity of the claims. The 44.1% result is within an acceptable tolerance.

3. A five-year average as at December 2022.



# 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 crash prevention and injury mitigation. From 1 July 2022, the levy increased by 50 cents to \$2.00 per policy and the levy collected \$9.7 million in 2022–23.

## 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 2022, the levy for Class 1 vehicles decreased by \$3.00 to \$5.00 with \$23.3 million collected in 2022–23.

## 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 2022, the hospital and emergency services levy decreased by \$6.00 to \$12.40 for a Class 1 vehicle. The collected income from the levy for the financial year was \$58.1 million of which \$48.1 million was apportioned to Queensland Health, \$2.5 million to Queensland Fire and Emergency Services (QFES) and \$7.5 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 crashes in Queensland. The NIISQ levy increased by \$13.30 to \$116.60 for a Class 1 vehicle in 2022–23 and collected \$570.8 million.

## Administration fee

The administration fee is the fee payable to DTMR for delivering administrative support for the CTP insurance scheme. The administration fee decreased by 60 cents to \$8.00 per policy in 2022–23 and collected \$38.6 million.

## Premium levy and fee collection

1 July 2022 to 30 June 2023

Description*	\$ ('000)
<b>Total insurance premiums collected**</b>	<b>1,838,314</b>
Nominal Defendant levy	-23,324
Statutory insurance scheme levy	-9,651
Hospital and emergency services levy^	-58,031
Administration fee (DTMR fee)	-38,628
NIISQ levy+	-570,842
Insurer's premiums#	1,137,838

Notes: \* Levies received for the period 1 July 2022 to 30 June 2023 are on a cash basis.

\*\* 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.

# Achievements

## CTP insurance scheme review 2023

In March 2023, we released a discussion paper on the state's CTP insurance scheme for consultation with key stakeholders and the wider community to ensure it continues to deliver ongoing affordability and fairness.

The discussion paper and overarching scheme review was focused on identifying opportunities to improve the scheme's sustainability and did not consider any changes to the premium-setting process or compensation benefits for people who are injured.

Submissions to the discussion paper closed in April 2023. We were pleased to receive 19 submissions from across the insurance industry, legal community, advocacy groups and members of the public.

While we were considering these submissions, RACQ advised of their decision to exit the scheme. The scheme review has been put on hold while we and DTMR work through urgent actions associated with the reallocation of RACQ's policies. We look forward to completing the scheme review once these actions are completed.

## Australia's first claim farming prosecution

In February 2023, we recorded the first Australian prosecution for the insidious scamming practice known as claim farming or car crash scamming.

Claim farming involves receiving cold calls or social media messages about being involved in a car crash and making a personal injury claim. Scammers often use threatening tactics to gather personal data from Queenslanders which they sell to personal injury firms.

Legislative amendments were introduced in 2019 to proactively address claim farming in the scheme. Since the legislative reform, we have closely monitored and investigated reports of claim farming.

Recently, we took decisive action against Accident Management Solutions (AMS) to protect Queenslanders from aggressive tactics and breaches of privacy.

On 7 February 2023, the Brisbane Magistrates Court sentenced AMS to fines totalling \$1.0 million for 94 claim farming offences, and \$5,000 for the offence of contravening an information requirement.

Claim farming complaints from Queenslanders continued to trend down from more than 1,300 complaints in 2019 to 114 reported in 2022–23. Our team actively investigates these complaints and will prosecute where appropriate. We urge Queenslanders to hang up on scam calls and report claim farmers at <http://maic.qld.gov.au/hangup>.

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

## 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. Developing reusable technological architecture, heightened cyber security and new ways of assisting our employees and stakeholders has been fundamental to our innovation journey.

In 2022–23, we continued to work with stakeholders to improve the Queensland CTP claim portal functionality. This included a targeted pilot with insurers and legal practitioners testing the use of MyGovID as a method of replacing digital signatures. The pilot has now concluded and provided valuable learnings about the technologies involved and the motivations of claimants and their legal representatives.

Without a doubt, the most successful product within the Queensland CTP claim portal is our online treatment plan. Treatment plans are required to be completed by qualified medical professionals as part of the CTP claim process. The digital version was so well received by users that we saw the number of lodgments triple in one year. In 2022–23, more than 1,200 treatment plans were lodged through the Queensland CTP claim portal.

Our cutting-edge Injury Coding Assistant has also continued to progress, with much interest from stakeholders across government and industry. The Injury Coding Assistant automates the injury coding of CTP medical certificates to relieve skilled staff from routine tasks so they can focus on more complex, value-adding activities. The assistant was presented at the BiiG Innovation Showcase in March this year. It is also listed on the *Queensland Government Our Thriving Digital Future: 2023–2026 Action Plan* as one of 13 initiatives in relation to digitally-enabled government.

In the context of increasing information security concerns across the globe, we enhanced the Personal Injury Register security infrastructure and will continue to implement further enhancements in 2023–24.

Our significant enhancements to our digital projects provide a strong foundation for us to continue to simplify and transform our services.

## 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 worked with MAIC to enhance the experience of claimants and their legal representatives throughout the claims experience. Members of the Nominal Defendant team have engaged closely in the development of the Queensland CTP claim portal. Sharing their comprehensive knowledge of the claims process and 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 each year evidencing the efficiency of the Nominal Defendant Fund.

## Monitoring the NISQ

In line with the NISQ Act, we monitor the efficiency and effectiveness of the NISQ Agency which administers the NISQ. The NISQ 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 crash in Queensland, on or after 1 July 2016.

The cost of administering NISQ during 2022–23 was \$368.62 million. As at 30 June 2023, NISQ has 488 interim and lifetime participants. Further information about NISQ and NISQ Agency's operations can be found in the NISQ Agency Annual Report at <https://niis.qld.gov.au/news-and-research/annual-reports>.

## Investing in road safety and rehabilitation

Institution	Title
University of Sunshine Coast	<ul style="list-style-type: none"> <li>• Road Safety Research Collaboration</li> <li>• Drug Driving Unit</li> </ul>
Queensland University of Technology	<ul style="list-style-type: none"> <li>• Centre for Accident Research and Road Safety</li> <li>• Data linkage Fellowship</li> </ul>
Griffith University	<ul style="list-style-type: none"> <li>• First Peoples and CTP Initiative</li> <li>• First on Scene pilot for heavy vehicle drivers</li> <li>• Procedural justice policing pilot</li> </ul>
Police Citizens and Youth Welfare Association	<ul style="list-style-type: none"> <li>• Braking the Cycle learner driver mentor program</li> <li>• Pilot 'Changing Gears' in the Napranum community</li> </ul>
Queensland Trucking Association	<ul style="list-style-type: none"> <li>• First on Scene pilot for heavy vehicle drivers</li> </ul>
Department of Transport and Main Roads	<ul style="list-style-type: none"> <li>• Transport Academic Partnership</li> <li>• Road Safety Data Bureau</li> </ul>
Transport New South Wales	<ul style="list-style-type: none"> <li>• MotoCAP motorcycle safety gear ratings</li> </ul>
Department of Justice and Attorney-General	<ul style="list-style-type: none"> <li>• Licensing and identification muster</li> </ul>
Logan City Council	<ul style="list-style-type: none"> <li>• Analytics pilot study</li> </ul>

## Prevention of road crashes

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

In 2022–23, we celebrated the 10th anniversary of the Police Citizens and Youth Welfare Association (PCYC) Queensland's 'Braking the Cycle' program. PCYC launched the program in 2012 to help disadvantaged people across Queensland connect with volunteer mentors to achieve the 100 hours of practical driving experience needed to obtain their driver licence.

We have proudly invested in the program since 2017, facilitating more than 130,000 driving hours and allowing more than 2,200 participants to successfully obtain their provisional licence. The 10<sup>th</sup> anniversary of the Braking the Cycle program in 2022 represented a major milestone for PCYC and MAIC, and in November 2022 the Treasurer hosted a reception at Parliament House to recognise the outstanding contributions of the volunteer mentors and program participants. In the next financial year, we have expanded our support for the First Nations adaption of Braking the Cycle, called 'Changing Gears'. Following a successful pilot in Napranum, this program will also commence operations in Palm Island and Yarrabah.

In December 2022, we partnered with Queensland Trucking Association on a safety campaign to remind drivers that trucks need extra stopping distance to safely brake. Rear-end crashes remain the most common crash type in the Queensland CTP insurance

scheme, currently representing almost 50 per cent of claims. As part of this campaign, two heavy vehicles in the Lindsay Australia Fleet were wrapped in a new exterior canvas with a reminder to leave a three-second gap when driving behind a truck.

We also renewed our commitment to the Road Safety Data Bureau for a further five years until 2028. The purpose of the bureau is to consolidate, integrate and analyse road crash related data from MAIC, DTMR, QPS and Queensland Health to inform whole-of-government decision making on road safety. In 2022, a major milestone was reached in the signing of a Memorandum of Understanding with Queensland Health. This is a significant achievement that will unlock data linkage opportunities and allow the bureau to better understand serious road crash injuries, with an initial focus on vulnerable road users (senior road users, motorcycle riders and bicycle riders) and contributing factors involved in these road crashes.

In line with this initiative, we also continued our investment in the Motorcycle Protective Clothing Assessment Program (MotoCAP) with a view to providing motorcycle riders across Queensland with independent, scientifically-based ratings on the relative protection and breathability of motorcycle apparel available in the Australia and New Zealand markets.

Looking forward to 2023-24, we are also excited to commence a new initiative with Logan City Council which will pilot the use of a transportation management solution in conjunction with Advanced Mobility Analytics Group that leverages video analytics, artificial intelligence and deep learning to enhance road safety management within this council into the future.

## Maximising recovery

Institution	Title
University of Queensland	<ul style="list-style-type: none"> <li>• RECOVER Injury Research Centre</li> <li>• Whiplash Clinical Pathway</li> <li>• Sleep studies in children with TBI</li> <li>• Healthcare usage study in children with TBI</li> </ul>
Griffith University	<ul style="list-style-type: none"> <li>• The Hopkins Centre</li> <li>• Spinal Injury Project</li> <li>• BioSpine</li> </ul>
Queensland University of Technology	<ul style="list-style-type: none"> <li>• Data Linkage Fellowship</li> <li>• Road Trauma Modelling</li> </ul>
Metro North Hospital and Health Service	<ul style="list-style-type: none"> <li>• Jamieson Trauma Institute</li> <li>• Associate Professor Cliff Pollard Trauma Fellowship</li> </ul>
Spinal Life Australia	<ul style="list-style-type: none"> <li>• Back2Work Vocational Rehabilitation Program</li> </ul>
Queensland Brain Institute	<ul style="list-style-type: none"> <li>• Senior Research Fellowship in TBI</li> <li>• Prediction and diagnosis using imaging and clinical biomarkers trial</li> </ul>
Children's Health Foundation	<ul style="list-style-type: none"> <li>• Chair of Paediatric Rehabilitation</li> </ul>
Emergency Medicine Foundation	<ul style="list-style-type: none"> <li>• Trauma research in rural, remote and regional Queensland</li> </ul>
Bionics Queensland	<ul style="list-style-type: none"> <li>• 2022 Bionics Challenge</li> </ul>
Retrieval Services Queensland	<ul style="list-style-type: none"> <li>• Research pilot</li> </ul>

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.

This financial year, we evaluated the progress of our three key injury research centres: the Jamieson Trauma Institute (JTI), The Hopkins Centre and RECOVER Injury Research Centre. The evaluation process highlighted the important work that MAIC-funded research centres undertake in continually improving clinical care, rehabilitation and long-term outcomes for people injured in road crashes in Queensland. As a result, this year we were pleased to extend our partnerships with key stakeholders Metro North Health (JTI), Griffith University and Metro South Health (The Hopkins Centre) and the University of Queensland (RECOVER) on multi-year terms that will support the ongoing operation of these centres.

Griffith University continued to make measurable progress in developing both invasive and non-invasive therapies for those with spinal cord injury this year.

Firstly, the Spinal Cord Injury Project has developed a strong evidence base for its cell transplantation therapy that has laid an imminent path to clinical trials. This financial year, MAIC committed additional support to the project until 2026 that will sustain research operations and allow the team to test the therapy on new injury types including brain and peripheral nerve injuries. With road trauma being a leading cause of brain injuries, improved treatment and recovery will be of significant benefit to people who are injured, their families, Queensland Health and the Queensland CTP insurance scheme.

Secondly, with an additional three years of funding support, the BioSpine project will look to scale up efficacy testing of their non-invasive cycling system and bring their patented technologies closer to market.

Renewed investment in these projects preserves an important link across MAIC funded research projects including The Hopkins Centre and Spinal Life Australia's Back2Work program, completing the spectrum of surgical measures, through to non-invasive rehabilitation and re-engagement back to work and the community. Support for these projects in the 2022-23 financial year will continue to place Queensland at the forefront of evidence-based developments around spinal cord injury into the future.

# Governance

## Our people

We strive to create a positive workplace environment where our people are engaged, committed and highly capable. Employees remained agile in 2022–23 with COVID-related restrictions eased, successful flexible working arrangements continuing and free flu vaccinations provided to all staff.

During the year, our employees were engaged in NAIDOC and Reconciliation Week activities and community events.

Employees were provided with the opportunity to immerse themselves in cultural training and other work programs.

The health and wellbeing of our team is essential and during 2022–23 we continued to emphasise the importance of an appropriate work-life balance and supported flexible workplace practices. We 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 31 for MAIC, and page 60 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 employee induction and orientation programs
- embedded a commitment to human rights into our strategic and operational plans
- continued our work with the First Nations 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.

One human rights complaint was received and finalised with no human rights breached.



# Our leadership team

The Insurance Commissioner sets the direction for MAIC, the Nominal Defendant and the NIISQ Agency and reports to the State Parliament through the Treasurer and Minister for Trade and Investment.

He is supported by the leadership team, which includes: General Manager, MAIC; General Manager, Business and Advisory Services; and General Manager, Innovation and Delivery.

Our leadership team is responsible for implementing the strategic direction of MAIC, the Nominal Defendant, and the NIISQ Agency, and 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 identifies and manages key areas of risk. As at 30 June 2023, 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 30 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 insurers and managing MAIC's claims-related legislative functions.

## Anh Bui

*General Manager, Business and Advisory Services  
B. Bus, LLB, FGIA, CPA*

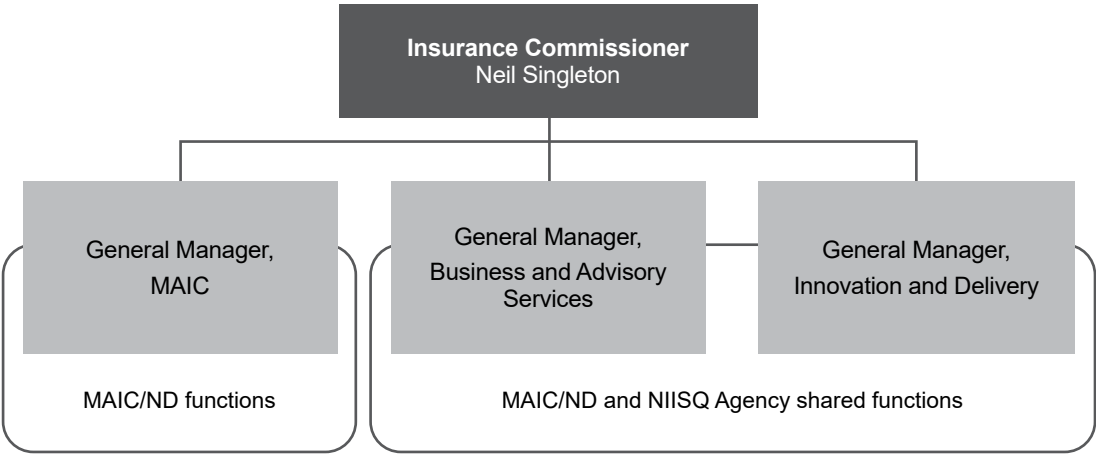
Anh is responsible for leading diverse teams across a broad range of strategic and operational functions including finance, procurement, corporate governance, communications, people, and culture. As a qualified accountant and governance professional, Anh has over 20 years' experience in financial services, is a member of CPA Australia and has also been admitted to the legal profession.

## 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.

# 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 Treasury's 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.

Treasury's Audit and Risk Management Committee (ARMC) supports Treasury's accountable officer – the Under Treasurer – to meet the responsibilities under the *Financial Accountability Act 2009*, 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 ARMC has responsibility for the review of financial statements for Treasury, MAIC, the Nominal Defendant and the Financial Provisioning Scheme.

## 2022–23 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 2022–23

In 2022–23, Treasury's ARMC met five times and fulfilled its responsibilities in accordance with its charter and approved work plan. Key achievements included:

- endorsing the *2021–22 Financial Statements* for Treasury, MAIC and Nominal Defendant
- endorsing the three-year strategic *Internal Audit Plan* and monitoring 2022–23 internal audit activity
- reviewing the effectiveness of the Treasury'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*, and *Information Standard 38: Use of ICT Services, 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. These reports inform our stakeholders and the broader community about the operation of the scheme and management of claims, as well as enhancing scheme awareness and understanding. These publications, including *Annual CTP scheme insights: 2022–23*, are available at <https://maic.qld.gov.au/scheme-knowledge-centre/ctp-scheme-insights>.

We support the *Queensland Government Open Data Initiative*. In 2022–23, we released 15 datasets in addition to CTP insurance scheme insights reports. Our Open Data sets are available at <https://www.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](mailto:maic@maic.qld.gov.au) or visit MAIC's website [www.maic.qld.gov.au](http://www.maic.qld.gov.au).

### Nominal Defendant

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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](mailto:nd@maic.qld.gov.au) or visit the Nominal Defendant's website [www.maic.qld.gov.au/nominal-defendant](http://www.maic.qld.gov.au/nominal-defendant)

# Motor Accident Insurance Commission

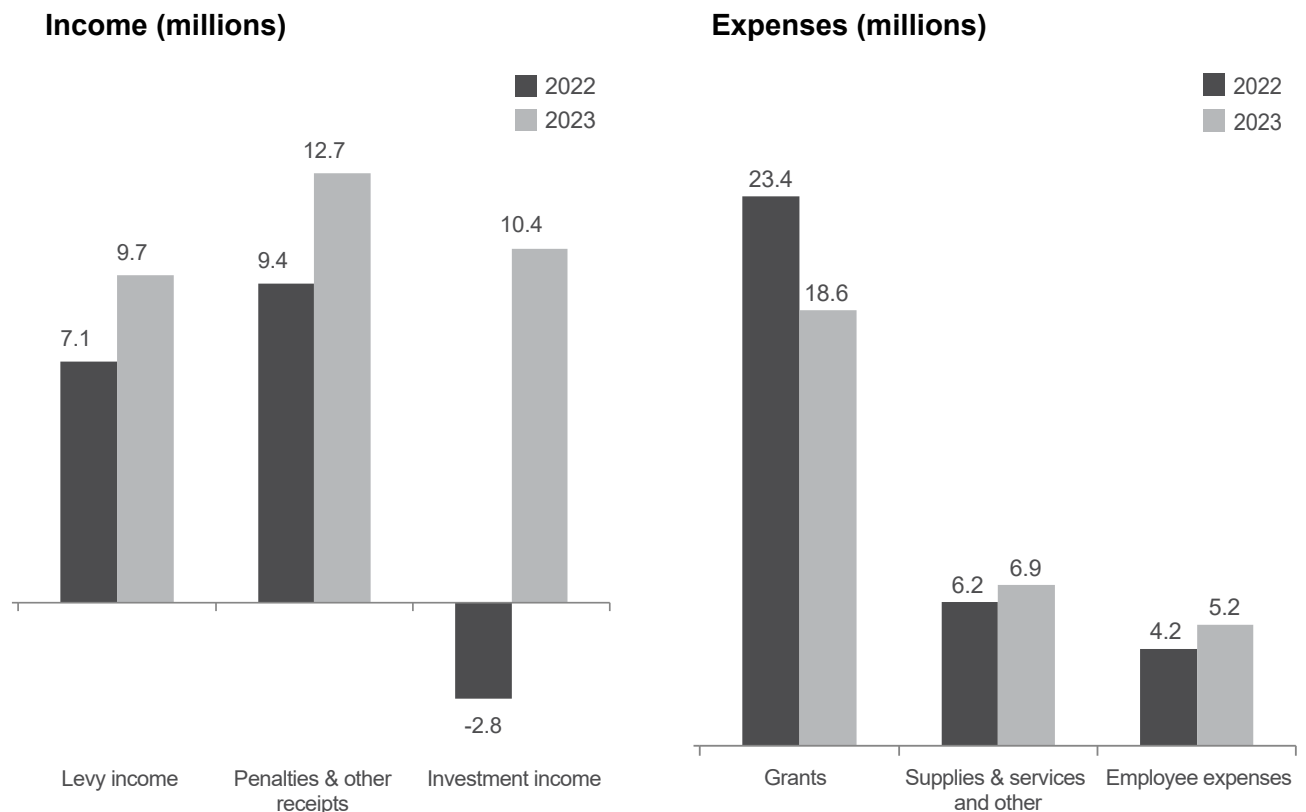
## Summary of financial performance 2022–23

The operating result for MAIC for the year ended 30 June 2023 was a surplus of \$2.1 million compared to the prior year's operating deficit of \$20.1 million. The increase was driven by an increase in levy and penalty income, a decrease in grants expenses and positive investment returns on financial assets.

The statutory insurance scheme levy per vehicle increased from \$1.50 to \$2.00 per annum from 1 July 2022. Penalties income increased by \$2.2 million to \$10.3 million.

The investment returns on financial assets were gains of \$10.4 million compared to prior year's losses of \$2.8 million. This reflects improvements in the equity market.

Total expenses decreased by \$3.1 million to \$30.7 million in 2022–23. MAIC's largest expense item relates to grants spend of \$18.6 million for the continued funding of research programs to reduce the incidence and mitigate the effects of road trauma. The decrease in grants expense of \$4.9 million was largely due to completion of a transitional rehabilitation service pilot and timing of continued funding of spinal cord therapy research. Details of grants funding are provided in Appendix 4.



## Statement of comprehensive income

for the year ended 30 June 2023

	Note	2023 Actual \$'000	2023 Original Budget \$'000	Budget Variance* \$'000	2022 Actual \$'000
<b>Income</b>					
Lewy	3	9,651	9,468	183	7,099
Penalties	4	10,289	8,500	1,789	8,131
User charges	5	1,321	1,322	(1)	429
Other revenue	6	1,044	-	1,044	836
<b>Total revenue</b>		<b>22,305</b>	<b>19,290</b>	<b>3,015</b>	<b>16,495</b>
Net fair value gains/(losses) on financial assets at fair value through profit and loss	12	10,444	6,556	3,888	(2,808)
<b>Total income</b>		<b>32,749</b>	<b>25,846</b>	<b>6,903</b>	<b>13,687</b>
<b>Expenses</b>					
Grants	6	18,582	24,000	(5,418)	23,447
Employee expenses	7	5,194	5,560	(366)	4,159
Supplies and services	8	6,832	7,092	(260)	6,103
Depreciation and amortisation		13	-	13	4
Other expenses	9	49	46	3	48
<b>Total expenses</b>		<b>30,670</b>	<b>36,698</b>	<b>(6,028)</b>	<b>33,761</b>
<b>Operating result</b>		<b>2,079</b>	<b>(10,852)</b>	<b>12,931</b>	<b>(20,074)</b>
<b>Total comprehensive income/(losses)</b>		<b>2,079</b>	<b>(10,852)</b>	<b>12,931</b>	<b>(20,074)</b>

\* An explanation of major variances is included in Note 18.

The accompanying notes form part of these financial statements.



## Statement of financial position

as at 30 June 2023

	Note	2023 Actual \$'000	2023 Original Budget \$'000	Budget Variance* \$'000	2022 Actual \$'000
<b>Current assets</b>					
Cash and cash equivalents		7,297	10,000	(2,703)	4,313
Receivables	10	1,387	775	612	830
Prepayments		-	-	-	18
<b>Total current assets</b>		<b>8,684</b>	<b>10,775</b>	<b>(2,091)</b>	<b>5,161</b>
<b>Non-current assets</b>					
Financial assets at fair value through profit and loss	12 & 13	123,084	118,123	4,961	124,581
Plant and equipment		121	-	121	48
<b>Total non-current assets</b>		<b>123,205</b>	<b>118,123</b>	<b>5,082</b>	<b>124,629</b>
<b>Total assets</b>		<b>131,889</b>	<b>128,898</b>	<b>2,991</b>	<b>129,790</b>
<b>Current liabilities</b>					
Payables	11	560	2,805	(2,245)	560
Accrued employee benefits		140	116	24	120
<b>Total current liabilities</b>		<b>700</b>	<b>2,921</b>	<b>(2,221)</b>	<b>680</b>
<b>Total liabilities</b>		<b>700</b>	<b>2,921</b>	<b>(2,221)</b>	<b>680</b>
<b>Net assets</b>		<b>131,189</b>	<b>125,977</b>	<b>5,212</b>	<b>129,110</b>
<b>Equity</b>					
Contributed equity		57,818	57,818	-	57,818
Accumulated surplus		73,371	68,159	5,212	71,292
<b>Total equity</b>		<b>131,189</b>	<b>125,977</b>	<b>5,212</b>	<b>129,110</b>

\* An explanation of major variances is included in Note 18.

The accompanying notes form part of these financial statements.

## Statement of changes in equity

for the year ended 30 June 2023

	Accumulated Surplus	Contributed Equity	Total Equity
	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2021</b>	91,366	57,818	149,184
Operating result	(20,074)	-	(20,074)
<b>Balance as at 30 June 2022</b>	<b>71,292</b>	<b>57,818</b>	<b>129,110</b>
<b>Balance as at 1 July 2022</b>	71,292	57,818	129,110
Operating result	2,079	-	2,079
<b>Balance as at 30 June 2023</b>	<b>73,371</b>	<b>57,818</b>	<b>131,189</b>

*The accompanying notes form part of these financial statements.*

## Statement of cash flows

for the year ended 30 June 2023

	Note	2023 Actual \$'000	2023 Original Budget \$'000	Budget Variance*	2022 Actual \$'000
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
Lewy		9,650	9,468	182	7,099
Penalties		10,042	8,500	1,542	8,185
User charges		1,321	1,322	(1)	429
GST input tax credits from Australian Taxation Office (ATO)		2,245	-	2,245	2,275
GST collected from customers		121	-	121	118
Other revenue		813	-	813	836
<i>Outflows:</i>					
Grants		(18,648)	(24,000)	5,352	(25,557)
Employee expenses		(5,186)	(5,558)	372	(4,154)
Supplies and services		(6,104)	(6,306)	202	(5,357)
GST remitted to ATO		(161)	-	(161)	(71)
GST paid to suppliers		(2,234)	-	(2,234)	(2,360)
Other expenses		(45)	(46)	1	(65)
<b>Net cash (used in)/provided by operating activities</b>	CF-1	<b>(8,186)</b>	<b>(16,620)</b>	<b>8,434</b>	<b>(18,622)</b>
<b>Cash flows from investing activities</b>					
<i>Inflow:</i>					
Proceeds from sale of other financial assets		10,000	16,620	(6,620)	10,000
Distributions received		1,170	-	1,170	1,969
<i>Outflow:</i>					
Payments for plant and equipment		-	-	-	(53)
<b>Net cash provided by/(used in) investing activities</b>		<b>11,170</b>	<b>16,620</b>	<b>(5,450)</b>	<b>11,916</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,984</b>	<b>-</b>	<b>2,984</b>	<b>(6,706)</b>
Cash and cash equivalents at the beginning of the financial year		4,313	10,000	(5,687)	11,019
<b>Cash and cash equivalents at the end of the financial year</b>		<b>7,297</b>	<b>10,000</b>	<b>(2,703)</b>	<b>4,313</b>

\* An explanation of major variances is included in Note 18.

The accompanying notes form part of these financial 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 2023

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

	2023 \$'000	2022 \$'000
Operating result	2,079	(20,074)
<i>Non-cash items included in operating result:</i>		
Net fair value (gains)/losses on financial assets at fair value through profit and loss less management fee	(9,728)	3,645
Depreciation and amortisation	13	4
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in financial assets at fair value through profit and loss	55	69
Decrease/(increase) in prepayments	18	18
(Increase)/decrease in receivables	(557)	(55)
(Decrease)/increase in current payables	(86)	(2,237)
Increase/(decrease) in accrued employee benefits	20	8
<b>Net cash (used in) operating activities</b>	<b>(8,186)</b>	<b>(18,622)</b>

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 2023

### 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).

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*
- section 62(1) of the *Financial Accountability Act 2009*
- applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

#### (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 2021-22 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'.

Financial assets at fair value through profit and loss 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 financial assets at fair value through profit and loss (refer to **Note 12**).

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 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 Acting 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 financial assets at fair value through profit and loss which are shown at fair value.

#### (i) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Refer to **Note 13** for more details on financial assets through profit and loss.

### 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. USER CHARGES

	2023 \$'000	2022 \$'000
ND corporate services charges	705	-
NIISQ corporate services charges	616	429
<b>Total</b>	<b>1,321</b>	<b>429</b>

MAIC has a corporate support services tripartite memorandum of understanding (MOU) in place with the National Injury Insurance Agency, Queensland (NIISQ Agency) and the Nominal Defendant (ND) for the receipt (**Note 8**) and provision of corporate support services among the three entities. The charges above represent the services provided to the two agencies.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 6. GRANTS

	2023 \$'000	2022 \$'000
Rehabilitation initiatives research	7,230	10,665
Strategic accident prevention research	7,227	7,930
Road trauma mitigation research	4,120	4,810
Other	5	42
<b>Total</b>	<b>18,582</b>	<b>23,447</b>

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. Unspent grants need to be returned to MAIC unless approval is obtained to retain the funds and is disclosed as part of other revenue in the Statement of Comprehensive Income.

### 7. EMPLOYEE EXPENSES

	2023 \$'000	2022 \$'000
<b>Employee benefits and employee related expenses</b>		
Salaries and wages	3,968	3,201
Employer superannuation contributions	547	438
Leave levies	529	443
Other employee benefits	95	16
Employee related expenses	55	61
<b>Total</b>	<b>5,194</b>	<b>4,159</b>

The number of employees, including both full-time employees and part-time employees, measured on a full-time equivalent basis is 33 as at 30 June 2023 (based on fortnight ended 30 June 2023) and 29 for 30 June 2022 (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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 7. EMPLOYEE EXPENSES - continued

#### *Superannuation*

Employer superannuation contributions are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) 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. The MAIC's obligations are limited to those contributions paid.

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 19**.

### 8. SUPPLIES AND SERVICES

	2023 \$'000	2022 \$'000
Consultants and contractors	1,919	1,557
IT related expenses	1,086	561
Legal fee	906	983
Queensland Treasury corporate services fee	862	911
QIC management fee	716	837
Queensland Treasury actuarial fees	490	483
Rent	419	503
NIISQ corporate services fee	312	191
Supplies and consumables	122	71
Advertising	-	6
<b>Total</b>	<b>6,832</b>	<b>6,103</b>

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.



## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 9. OTHER EXPENSES

	2023 \$'000	2022 \$'000
Queensland Audit Office - external audit fees	25	24
Insurance premiums - Queensland Government Insurance Fund	24	24
<b>Total</b>	<b>49</b>	<b>48</b>

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$25,000 (2022: \$24,000).

### 10. RECEIVABLES

	2023 \$'000	2022 \$'000
Accrued penalties	597	350
GST receivable	371	381
Other receivables	235	4
Leave reimbursements	184	95
<b>Total</b>	<b>1,387</b>	<b>830</b>

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 13** 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.

### 11. PAYABLES

	2023 \$'000	2022 \$'000
<b>Current</b>		
Accrued expenses	362	163
Trade creditors	189	349
GST payable	7	47
FBT payable	2	1
<b>Total</b>	<b>560</b>	<b>560</b>

Trade creditors are recognised upon receipt of the invoices for goods or services ordered, while accrued expenses are recognised upon receipt of the goods or services ordered where invoices have yet to be received. Grants payable, included in the trade creditors, 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 2023

### 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 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	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit and loss	107,543	109,634	15,541	14,947	123,084	124,581
<b>Total</b>	<b>107,543</b>	<b>109,634</b>	<b>15,541</b>	<b>14,947</b>	<b>123,084</b>	<b>124,581</b>

MAIC recognises 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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 12. FAIR VALUE MEASUREMENT - continued

#### 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

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 13(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

	2023	2022
Financial assets at fair value through profit and loss - QIC Registry Trust	\$'000	\$'000
Carrying amount at 1 July	14,947	-
Transfers into level 3 from level 2	-	13,600
Distributions	(1,170)	(1,969)
Gains recognised in operating result	1,764	3,316
Carrying amount at 30 June	<b>15,541</b>	<b>14,947</b>

### 13. FINANCIAL RISK DISCLOSURES

#### (a) Categorisation of financial instruments

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

Category	Note	2023 \$'000	2022 \$'000
<b>Financial assets</b>			
Cash and cash equivalents		7,297	4,313
Receivables (amortised cost)	10	1,387	830
Financial assets at fair value through profit and loss		123,084	124,581
<b>Total</b>		<b>131,768</b>	<b>129,724</b>
<b>Financial liabilities</b>			
Current payables (amortised cost)	11	560	560
<b>Total</b>		<b>560</b>	<b>560</b>

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 financial assets consists of investments with QIC. As disclosed in **Note 12**, these are measured at fair value through profit or loss 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 2023

### 13. 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:

<b>Risk Exposure</b>	<b>Measurement Method</b>
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 10** and **Note 13(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 10**. 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 payables. The 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.

##### (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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 13. FINANCIAL RISK DISCLOSURES – continued

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	2023				2022			
	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
QIC Long Term Diversified Fund	-9	8	(9,679)	8,603	-12	12	(13,156)	13,156
QIC Registry Trust	-10	10	(1,554)	1,554	-10	10	(1,495)	1,495
<b>Total</b>			<b>(11,233)</b>	<b>10,157</b>			<b>(14,651)</b>	<b>14,651</b>

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

### 14. CONTINGENCIES

MAIC did not have any contingent assets or liabilities at 30 June 2023.

### 15. 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:

	2023 \$'000	2022 \$'000
Not later than one year	3,452	2,518
Later than one year and not later than five years	262	127
<b>Total</b>	<b>3,714</b>	<b>2,645</b>

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 15. COMMITMENTS - continued

#### (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:

	2023 \$'000	2022 \$'000
Not later than one year	19,022	13,417
Later than one year and not later than five years	30,972	15,805
<b>Total</b>	<b>49,994</b>	<b>29,222</b>

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

### 16. EVENTS OCCURRING AFTER THE REPORTING DATE

On 28 June 2023, RACQ Insurance (RACQ) notified MAIC for their intention to exit the scheme from 1 October 2023 for commercial reasons. On 7 July 2023, MAIC confirmed and approved RACQ's request to exit the scheme. MAIC is now engaged with the remaining three licensed insurers and the Department of Transport and Main Roads (DTMR) to ensure a smooth transition of RACQ policies over the coming year. MAIC will also be ensuring RACQ continue to manage claims in accordance with their legislative requirements so people with claims are not affected by this decision. The scheme review is on hold while MAIC prioritises working with RACQ and DTMR to facilitate the transition.

Other than disclosed above, MAIC has not had any material events occurring after 30 June 2023.

### 17. FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

### 18. 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 2023

### 18. BUDGETARY REPORTING DISCLOSURES – continued

#### Explanations of major variances

##### Statement of Comprehensive Income

<i>Penalties</i>	Higher penalties revenue from uninsured motorists collected by the DTMR and Queensland Treasury (SPER) and remitted to MAIC.
<i>Other revenue</i>	The increase in other revenue relates to return of unspent grant funds.
<i>Net fair value gains/(losses) on financial assets at fair value through profit and loss</i>	The increase in net fair value gains on financial assets at fair value through profit and loss is primarily due to higher than expected earnings on investments as a result of improvements in the equity market.
<i>Grants</i>	The variance in grants payments is due to lower than anticipated investment in rehabilitation initiatives research.
<i>Employee expenses</i>	The variance in employee expenses is primarily due to delays in filling vacancies during 2022-23.

##### 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, and accrued penalties as at 30 June not budgeted.
<i>Financial assets at fair value through profit and loss</i>	The variance in financial assets at fair value through profit and loss reflects a higher audited opening balance than projected in the budget.
<i>Payables</i>	The variance is due to fluctuations in trade creditors as at 30 June.
<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>Penalties</i>	Higher penalties revenue from uninsured motorists collected by the DTMR and Queensland Treasury (SPER) and remitted to MAIC.
<i>GST input tax credits from ATO</i>	The variance is due to the amount of input tax credits paid by the ATO for supplier invoices processed which was not budgeted for.
<i>Other revenue</i>	The variance in other revenue relates to return of unspent grant funds which was not budgeted for.
<i>Grants</i>	The variance in grants payments is due to lower than anticipated investment in rehabilitation initiatives research.
<i>Employee expenses</i>	The variance in employee expenses is primarily due to delays in filling vacancies during 2022-23.
<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.



## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 18. BUDGETARY REPORTING DISCLOSURES – continued

#### *Investing activities*

The variances in cash flows from investing activities reflect QIC cash investments and drawdowns performed during the year to meet cash flow requirements.

### 19. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

#### Details of KMP

The Treasurer and Minister for Trade and Investment is identified as part of MAIC's 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 2022-23 and 2021-22. Key Management Personnel also provided services to the Nominal Defendant and the NIISQ Agency as part of their overall role.

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 <sup>(1)</sup>	Responsible for driving innovation and delivering business-led solutions for MAIC.
General Manager Business Advisory and Services <sup>(1)</sup> (KMP from 5 June 2023)	Responsible for the leadership and supervision, compliance and performance of the MAIC's corporate services functions, including finance, risk and assurance, human resources, communication, and analytics.
Director Finance, Risk and Assurance <sup>(2)</sup> (KMP to 4 June 2023)	No longer KMP as at reporting date. The position was responsible for the risk management function and ensuring the efficient, effective and economical financial management of MAIC.
Director People, Policy and Communication <sup>(2)</sup> (KMP to 29 January 2023)	No longer KMP as at reporting date and the role was transferred to NIISQ from 30 January 2023. The position was responsible for managing MAIC's human resources, communication and policy function.
Director People, Policy, and Communication <sup>(1) (2)</sup> (KMP from 30 January 2023 to 4 June 2023)	No longer KMP as at reporting date. The position was responsible for managing MAIC's human resources, communication and policy function.
Director Analytics <sup>(2)</sup> (KMP to 4 June 2023)	No longer KMP as at reporting date. The position was responsible for data analysis, reporting and business intelligence functions for MAIC.

(1) This is a NIISQ position and the remuneration is disclosed in the NIISQ financial statements.

(2) These positions were only considered as key management personnel up until the appointment of the General Manager Business Advisory and Services.



## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 19. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES - continued

#### Remuneration policies

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 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 Sector Act 2022* (formerly 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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 19. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES – continued

#### 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 2022 to 30 June 2023

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	305	8	35	-	348
General Manager MAIC	199	5	22	-	226
General Manager Innovation and Delivery	-	-	-	-	-
General Manager Business Advisory and Services (from 5 June 2023)	-	-	-	-	-
Director Finance, Risk and Assurance (to 4 June 2023)	146	4	18	-	168
Director People, Policy and Communication (from 1 July 2022 to 29 January 2023)	81	2	10	-	93
Director People, Policy and Communication (Acting from 8 February 2023 to 4 June 2023)	-	-	-	-	-
Director Analytics (from 1 July to 15 February 2023)	106	3	12	-	121
Director Analytics (Acting, from 6 February to 4 June 2023)	50	1	5	-	56

\*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 2023

### 19. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES – continued

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.

### Performance Payments

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

### 20. 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 6**).

MAIC provided grant funding to DTMR to support research for Road Safety Data Bureau and the Transport Academic Partnership. (**Note 6**).

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 20. RELATED PARTY TRANSACTIONS - continued

MAIC provided grant funding to Metro North Hospital and Health Services for supporting the Jamieson Trauma Institute. (**Note 6**).

MAIC has a corporate support services tripartite memorandum of understanding (MOU) in place with the ND and the NISQ Agency for the receipt and provision of corporate support services among the three entities (**Note 5 and Note 8**).

Queensland Treasury also provides corporate support and actuarial services to MAIC. These are disclosed in **Note 8**.

MAIC incurred management fees from QIC for the management of the QIC unlisted unit trusts as disclosed in **Note 8**.

### 21. 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:

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.

Type of Levy	Levies collected from DTMR		Contributions paid to QH, QFES, QPS & QGAir		Outstanding levies for remittance to QH, QFES, QPS & QGAir	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Levies collected but not remitted in the previous year	7,339	7,504	-	-	-	-
Hospital levy	48,078	71,288	(49,951)	(72,031)	4,338	6,211
Emergency Services levy - QFES	2,481	2,785	(2,508)	(2,824)	225	252
Emergency Services levy - QPS	7,454	8,790	(7,578)	(8,136)	676	799
Emergency Services levy - QPS - QGAir	17	1,000	(93)	(1,037)	-	77
<b>Total</b>	<b>65,369</b>	<b>91,367</b>	<b>(60,130)</b>	<b>(84,028)</b>	<b>5,239</b>	<b>7,339</b>

### 22. 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 10** and **Note 11**).

## **Notes to and forming part of the financial statements**

for the year ended 30 June 2023

### **23. FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY**

#### **Changes in accounting policies**

MAIC did not voluntarily change any of its accounting policies during 2022-23.

#### **Accounting standards early adopted**

No Australian Accounting Standards have been early adopted for 2022-23.

#### **Accounting standards applied for the first time**

No new accounting standards or interpretations that apply to MAIC for the first time in 2022-23 have any material impact on the financial statements.

### **24. CLIMATE RISK DISCLOSURE**

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting MAIC. MAIC continues to monitor the emergence of material climate-related risks that may impact the financial statements, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

# Management certificate for the year ended 30 June 2023

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 Motor Accident Insurance Commission (MAIC) for the financial year ended 30 June 2023 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.



I HIDAYAT

M (Bus) Finance and Accounting, CA

Acting Director Finance, Risk and Assurance

29 August 2023



N SINGLETON

B.Bus (Insurance), MBA

Insurance Commissioner

29 August 2023

## INDEPENDENT AUDITOR'S REPORT

To the 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 2023, 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 2023, 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 material accounting policy 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 forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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 2023:

- 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.

*mluwinga*

29 August 2023

Martin Luwinga  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

# Nominal Defendant

## Summary of financial performance 2022–23

For the year ended 30 June 2023, the Nominal Defendant had a total income of \$71.7 million and expenses of \$42.9 million resulting in an operating surplus of \$28.8 million, compared to the prior year's operating deficit of \$3.3 million.

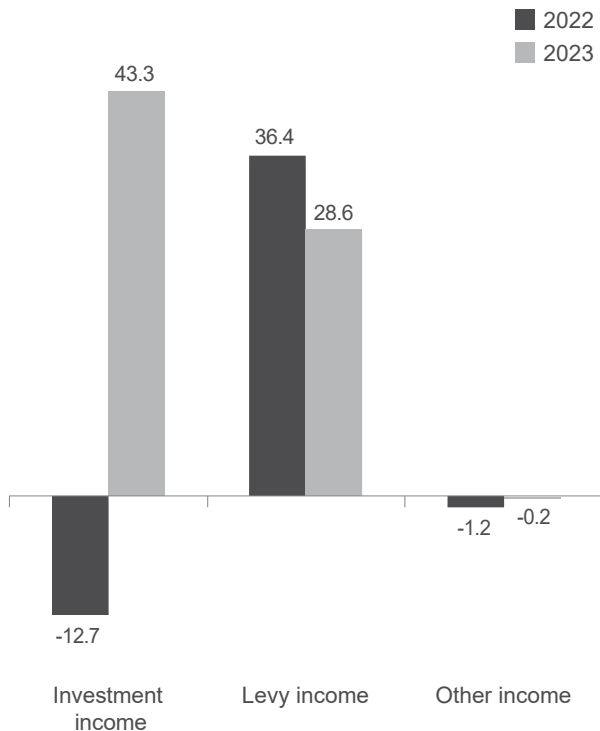
The \$32.1 million increase in the operating result was driven by positive investment returns on financial assets. Total investment gains on financial assets were \$43.3 million compared to prior year's losses of \$12.7 million, reflecting an improvement in equity markets in 2022-2023.

The Nominal Defendant levy reduced from \$8.00 to \$5.00 per Class 1 vehicle in 2022-2023 and generated income of \$28.6 million, representing a \$7.9 million decrease from the prior year. Actuarial assessments at 30 June 2023 resulted in an increase of \$1.1 million in reinsurance and other recoveries from prior year.

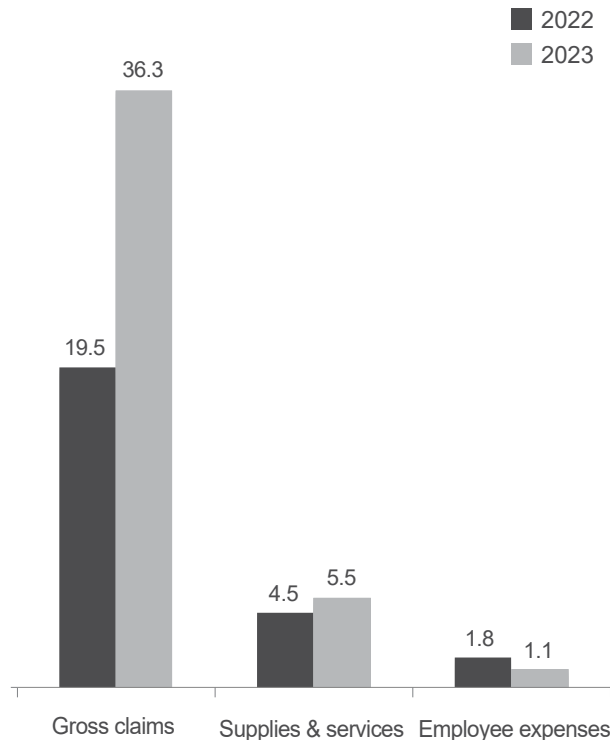
Total expenses increased from \$25.9 million in 2021-2022, to \$42.9 million in 2022-2023. This is primarily a result of higher claim costs. The Nominal Defendant's gross outstanding claims liabilities were actuarially assessed at 30 June 2023 to be \$134.4 million, an increase of \$9.4 million from the prior year. Nominal Defendant claim payments were \$26.9 million (prior year \$32.4 million) and claim recoveries were \$0.2 million (prior year \$1.4 million).

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 (millions)



### Expenses (millions)



# Nominal Defendant financial statements 2022-23

## Statement of comprehensive income for the year ended 30 June 2023

	Note	2023 Actual \$'000	2023 Original Budget \$'000	Budget Variance* \$'000	2022 Actual \$'000
<b>Income</b>					
Lewy	3	28,554	23,078	5,476	36,397
Reinsurance and other recoveries	4	(190)	-	(190)	(1,260)
Other revenue		-	-	-	38
<b>Total revenue</b>		<b>28,364</b>	<b>23,078</b>	<b>5,286</b>	<b>35,175</b>
Net fair value gains/(losses) on financial assets at fair value through profit and loss	11	43,318	25,000	18,318	(12,662)
<b>Total income</b>		<b>71,682</b>	<b>48,078</b>	<b>23,604</b>	<b>22,513</b>
<b>Expenses</b>					
Gross claims incurred	4	36,330	35,970	360	19,493
Employee expenses	5	1,099	1,269	(170)	1,831
Supplies and services	6	5,431	5,848	(417)	4,484
Other expenses	7	61	75	(14)	45
<b>Total expenses</b>		<b>42,921</b>	<b>43,162</b>	<b>(241)</b>	<b>25,853</b>
<b>Operating result</b>		<b>28,761</b>	<b>4,916</b>	<b>23,845</b>	<b>(3,340)</b>
<b>Total comprehensive income</b>		<b>28,761</b>	<b>4,916</b>	<b>23,845</b>	<b>(3,340)</b>

\* An explanation of major variances is included in Note 16.

The accompanying notes form part of these financial statements.

## Statement of financial position

as at 30 June 2023

	Note	2023 Actual \$'000	2023 Original Budget \$'000	Budget Variance* \$'000	2022 Actual \$'000
<b>Current assets</b>					
Cash and cash equivalents		6,405	10,000	(3,595)	8,104
Receivables	8	79	86	(7)	92
Financial assets at fair value through profit and loss	11 & 12	163,315	170,994	(7,679)	160,780
Claim recoveries	9	574	692	(118)	641
Prepayments		-	-	-	7
<b>Total current assets</b>		<b>170,373</b>	<b>181,772</b>	<b>(11,399)</b>	<b>169,624</b>
<b>Non-current assets</b>					
Financial assets at fair value through profit and loss	11 & 12	408,923	415,358	(6,435)	376,397
Claim recoveries	9	1,234	4,155	(2,921)	1,591
<b>Total non-current assets</b>		<b>410,157</b>	<b>419,513</b>	<b>(9,356)</b>	<b>377,988</b>
<b>Total assets</b>		<b>580,530</b>	<b>601,285</b>	<b>(20,755)</b>	<b>547,612</b>
<b>Current liabilities</b>					
Payables		323	397	(74)	328
Accrued employee benefits		28	51	(23)	53
Outstanding claims liability	9	42,683	39,447	3,236	35,910
Unearned levies	3	8,775	14,022	(5,247)	14,005
<b>Total current liabilities</b>		<b>51,809</b>	<b>53,917</b>	<b>(2,108)</b>	<b>50,296</b>
<b>Non-current liabilities</b>					
Outstanding claims liability	9	91,703	101,434	(9,731)	89,059
<b>Total non-current liabilities</b>		<b>91,703</b>	<b>101,434</b>	<b>(9,731)</b>	<b>89,059</b>
<b>Total liabilities</b>		<b>143,512</b>	<b>155,351</b>	<b>(11,839)</b>	<b>139,355</b>
<b>Net assets</b>		<b>437,018</b>	<b>445,934</b>	<b>(8,916)</b>	<b>408,257</b>
<b>Equity</b>					
Accumulated surplus	10	437,018	445,934	(8,916)	408,257
<b>Total equity</b>		<b>437,018</b>	<b>445,934</b>	<b>(8,916)</b>	<b>408,257</b>

\* An explanation of major variances is included in Note 16.

The accompanying notes form part of these financial statements.

## Statement of changes in equity

for the year ended 30 June 2023

	Accumulated surplus	Total equity
	\$'000	\$'000
<b>Balance as at 1 July 2021</b>	411,597	411,597
Operating result	(3,340)	(3,340)
<b>Balance as at 30 June 2022</b>	<b>408,257</b>	<b>408,257</b>
<b>Balance as at 1 July 2022</b>	408,257	408,257
Operating result	28,761	28,761
<b>Balance as at 30 June 2023</b>	<b>437,018</b>	<b>437,018</b>

*The accompanying notes form part of these financial statements.*

## Statement of cash flows

for the year ended 30 June 2023

		2023	2023		2022
	Note	Actual	Original Budget	Budget Variance*	Actual
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
Levy		23,324	23,078	246	36,380
Claim recoveries		234	-	234	1,355
GST input tax credits from Australian Taxation Office (ATO)		552	-	552	506
GST collected from customers		2	-	2	4
Other revenue		-	-	-	38
<i>Outflows:</i>					
Gross claims incurred		(26,913)	(31,913)	5,000	(32,380)
Employee expenses		(1,108)	(1,268)	160	(1,801)
Supplies and services		(1,822)	(2,073)	251	(816)
GST paid to suppliers		(548)	-	(548)	(522)
GST remitted to ATO		(3)	-	(3)	(3)
Other expenses		(37)	(75)	38	(35)
<b>Net cash (used in)/provided by operating activities</b>	CF-1	<b>(6,319)</b>	<b>(12,251)</b>	<b>5,932</b>	<b>2,726</b>
<b>Cash flows from investing activities</b>					
<i>Inflow:</i>					
Proceeds from sale of financial assets at fair value through profit and loss		-	12,251	(12,251)	-
Distributions received		4,620	-	4,620	7,774
<i>Outflow:</i>					
Payments for financial assets at fair value through profit and loss		-	-	-	(11,774)
<b>Net cash provided by/(used in) investing activities</b>		<b>4,620</b>	<b>12,251</b>	<b>(7,631)</b>	<b>(4,000)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,699)</b>	<b>-</b>	<b>(1,699)</b>	<b>(1,274)</b>
Cash and cash equivalents at the beginning of the financial year		8,104	10,000	(1,896)	9,378
<b>Cash and cash equivalents at the end of the financial year</b>		<b>6,405</b>	<b>10,000</b>	<b>(3,595)</b>	<b>8,104</b>

\* An explanation of major variances is included in Note 16.

The accompanying notes form part of these financial 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 2023

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

	Note	2023 \$'000	2022 \$'000
Operating result		28,761	(3,340)
<i>Non-cash items included in operating result:</i>			
Net fair value (gains)/losses on financial assets at fair value through profit and loss less management fees		(39,915)	16,066
<i>Change in assets and liabilities:</i>			
Decrease/(increase) in financial assets at fair value through profit and loss		235	253
Decrease/(increase) in prepayments		7	7
Decrease /(increase) in receivables and claim recoveries	8, 9	437	2,609
(Decrease)/increase in current payables		(5)	31
(Decrease)/increase in unearned levies		(5,230)	(17)
Increase/(decrease) in outstanding claims liability	9	9,417	(12,887)
(Decrease)/increase in accrued employee benefits		(26)	4
<b>Net cash (used in)/provided by operating activities</b>		<b>(6,319)</b>	<b>2,726</b>

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 2023

### 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*
- section 62(1) of the *Financial Accountability Act 2009*
- applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

#### (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 2021-22 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'.

Financial assets at fair value through profit and loss 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.



## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 1. BASIS OF FINANCIAL STATEMENT PREPARATION - continued

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 9**).

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 financial assets at fair value through profit and loss (**Note 11**).

#### (g) Authorisation of financial statements for issue

The financial statements are authorised for issue by the Insurance Commissioner and the Acting 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 financial assets at fair value through profit and loss 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.

#### (i) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Refer to **Note 12** for more details on financial assets through profit and loss.

### 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 2023

### 4. NET CLAIMS INCURRED

	2023 \$'000	2022 \$'000
Gross claims incurred	36,330	19,493
Reinsurance and other recoveries	190	1,260
<b>Total net claims incurred</b>	<b>36,520</b>	<b>20,753</b>

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.

#### (a) Claims development

	2023			2022		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
<b>Gross claims incurred and related expenses</b>						
Undiscounted	43,387	(2,719)	40,668	40,645	(12,317)	28,328
Discount	(4,856)	518	(4,338)	(3,937)	(4,898)	(8,835)
<b>Provisions made (Note 9)</b>	<b>38,531</b>	<b>(2,201)</b>	<b>36,330</b>	<b>36,708</b>	<b>(17,215)</b>	<b>19,493</b>
<b>Reinsurance and other recoveries</b>						
Undiscounted	582	(773)	(191)	722	(2,009)	(1,287)
Discount	(65)	66	1	(70)	97	27
	517	(707)	(190)	652	(1,912)	(1,260)
<b>Net claims incurred</b>	<b>38,014</b>	<b>(1,494)</b>	<b>36,520</b>	<b>36,056</b>	<b>(15,303)</b>	<b>20,753</b>
<b>Total gross claims incurred</b>	<b>38,531</b>	<b>(2,201)</b>	<b>36,330</b>	<b>36,708</b>	<b>(17,215)</b>	<b>19,493</b>
<b>Total recoveries</b>	<b>517</b>	<b>(707)</b>	<b>(190)</b>	<b>652</b>	<b>(1,912)</b>	<b>(1,260)</b>
<b>Total net claims incurred</b>	<b>38,014</b>	<b>(1,494)</b>	<b>36,520</b>	<b>36,056</b>	<b>(15,303)</b>	<b>20,753</b>

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 4. NET CLAIMS INCURRED – continued

#### (b) Claims reconciliation

	Total	
	2023	2022
	\$'000	\$'000
<b>Gross claims incurred and related expenses</b>		
Claims and associated settlement costs	26,913	32,380
Movement in outstanding claims liability	9,417	(12,887)
<b>Total gross claims incurred</b>	<b>36,330</b>	<b>19,493</b>
<b>Reinsurance and other recoveries</b>		
Reinsurance and other recoveries	234	1,355
Movement in other recoveries receivable	(424)	(2,615)
<b>Total recoveries</b>	<b>(190)</b>	<b>(1,260)</b>
<b>Net claims incurred</b>	<b>36,520</b>	<b>20,753</b>

#### 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 9**). Recoveries are measured as the present value of the expected future receipts, calculated on the same basis as the outstanding claims liability.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 5. EMPLOYEE EXPENSES

	2023	2022
	\$'000	\$'000
<b>Employee benefits and employee related expenses</b>		
Salaries and wages	863	1,427
Employer superannuation contributions	118	195
Leave levies	112	197
Employee related expenses	6	12
<b>Total</b>	<b>1,099</b>	<b>1,831</b>

The number of employees, including both full-time employees and part-time employees, measured on a full-time equivalent basis is 8 as at 30 June 2023 (based on pay fortnight ended 30 June 2023) and 14 as at 30 June 2022 (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 defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) 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. The Nominal Defendant's obligations are limited to those contributions paid.

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 17**.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 6. SUPPLIES AND SERVICES

	2023 \$'000	2022 \$'000
QIC management fee	3,403	3,404
MAIC* and NIISQ^ corporate services fee	767	26
IT related expense	476	207
Queensland Treasury corporate services fee	431	440
Rent	190	233
Queensland Treasury actuarial fees	125	124
Consultants and contractors	33	37
Supplies and consumables	6	13
<b>Total</b>	<b>5,431</b>	<b>4,484</b>

\* Motor Accident Insurance Commission (MAIC)

^ National Injury Insurance Agency, 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

	2023 \$'000	2022 \$'000
Queensland Audit Office - external audit fees	59	43
Insurance premiums - Queensland Government Insurance Fund	2	2
<b>Total</b>	<b>61</b>	<b>45</b>

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$58,728 (2022: \$43,500). The fees include \$13,728 paid to external actuary peer reviewer.

### 8. RECEIVABLES

	2023 \$'000	2022 \$'000
GST receivable	59	63
Leave reimbursements	20	29
<b>Total</b>	<b>79</b>	<b>92</b>

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 8. RECEIVABLES – continued

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.

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 12** 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.

**Notes to and forming part of the financial statements**  
for the year ended 30 June 2023

**9. NET OUTSTANDING CLAIMS**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Gross outstanding claims	138,563	126,097
Claims settlement costs	13,652	12,363
	<u>152,215</u>	<u>138,460</u>
Discount to present value	(17,829)	(13,491)
<b>Gross outstanding claims liability</b>	<b><u>134,386</u></b>	<b><u>124,969</u></b>
<i>Represented by</i>		
Current	42,683	35,910
Non-current	91,703	89,059
<b>Gross outstanding claims liability</b>	<b><u>134,386</u></b>	<b><u>124,969</u></b>
Reinsurance and other recoveries	2,048	2,473
Discount to present value	(240)	(241)
<b>Reinsurance and other recoveries</b>	<b><u>1,808</u></b>	<b><u>2,232</u></b>
<i>Represented by</i>		
Current	574	641
Non-current	1,234	1,591
<b>Reinsurance and other recoveries</b>	<b><u>1,808</u></b>	<b><u>2,232</u></b>
<b>Net outstanding claims</b>	<b><u>132,578</u></b>	<b><u>122,737</u></b>
Central estimate	132,578	122,737
Risk margin	-	-
<b>Net outstanding claims</b>	<b><u>132,578</u></b>	<b><u>122,737</u></b>

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 9. NET OUTSTANDING CLAIMS – continued

	2023	2022
	\$'000	\$'000
Balance at 1 July	122,737	133,009
<b>Prior periods</b>		
Claim payments	(26,529)	(30,845)
Claims handling expenses	(3,170)	(2,940)
Discount unwind	3,020	48
Risk margin release	-	-
Effect of changes in assumptions and experience	(1,344)	(12,412)
<b>Current period</b>		
Provision for current period	37,864	35,877
<b>Net outstanding claims</b>	<b>132,578</b>	<b>122,737</b>
Reinsurance and other recoveries	(1,808)	(2,232)
<b>Gross outstanding claims</b>	<b>134,386</b>	<b>124,969</b>

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

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.

#### (b) Actuarial assumptions

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

	2023	2022
	\$'000	\$'000
Inflation rate	4.71%	4.32%
Discount rate	4.15%	3.37%
Claims handling expenses	10.00%	10.00%
Risk margin	0.00%	0.00%
Weighted average term to settlement	3.3 years	3.3 years



## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 9. NET OUTSTANDING CLAIMS – continued

#### (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
		2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
Inflation rate	+1%	(4,163)	(4,163)	(3,883)	(3,883)
	-1%	3,951	3,951	3,688	3,688
Discount rate	+1%	3,484	3,484	3,269	3,269
	-1%	(3,745)	(3,745)	(3,510)	(3,510)
Claims handling expenses	+1%	(1,205)	(1,205)	(1,116)	(1,116)
	-1%	1,205	1,205	1,116	1,116
Weighted average term to settlement	+0.5 years	(827)	(827)	(984)	(984)
	-0.5 years	821	821	976	976

#### (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 2022-23 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.

### 10. 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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 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 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.

	Level 2		Level 3		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit and loss	510,873	478,160	61,365	59,017	572,238	537,177
<b>Total</b>	<b>510,873</b>	<b>478,160</b>	<b>61,365</b>	<b>59,017</b>	<b>572,238</b>	<b>537,177</b>

The Nominal Defendant recognises 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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 11. FAIR VALUE MEASUREMENT – continued

#### 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 12(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.

#### Reconciliation of Level 3 fair value movements

	2023	2022
	\$'000	\$'000
<b>Financial assets at fair value through profit and loss - QIC Registry Trust</b>		
Carrying amount at 1 July	59,017	-
Transfers into level 3 from level 2	-	53,700
Distributions	(4,620)	(7,774)
Gains recognised in operating result	6,968	13,091
<b>Carrying amount at 30 June</b>	<b>61,365</b>	<b>59,017</b>

### 12. FINANCIAL RISK DISCLOSURES

#### (a) Categorisation of financial instruments

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

Category	Note	2023	2022
		\$'000	\$'000
<b>Financial assets</b>			
Cash and cash equivalents		6,405	8,104
Receivables (amortised cost)	8	79	92
Financial assets at fair value through profit and loss		572,238	537,177
<b>Total</b>		<b>578,722</b>	<b>545,373</b>
<b>Financial liabilities</b>			
Current payables (amortised cost)		323	328
<b>Total</b>		<b>323</b>	<b>328</b>

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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 12. FINANCIAL RISK DISCLOSURES - continued

Nominal Defendant's financial assets at fair value through profit or loss consists of investments with QIC. As disclosed in **Note 11**, these are measured at fair value through profit or loss 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.

#### (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 **12(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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 12. FINANCIAL RISK DISCLOSURES - continued

#### (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.

#### (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.

	2023				2022			
	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
<b>Investments</b>								
QIC Short Term Income Fund	-0.26	0.26	(425)	425	-2.00	2.00	(3,216)	3,216
QIC Long Term Diversified Fund	-9.00	8.00	(31,280)	27,805	-12.00	12.00	(38,086)	38,086
QIC Registry Trust	-10.00	10.00	(6,137)	6,137	-10.00	10.00	(5,902)	5,902
<b>Total</b>			<b>(37,842)</b>	<b>34,367</b>			<b>(47,203)</b>	<b>47,203</b>

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

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 13. CONTINGENCIES AND COMMITMENTS

#### (a) Contingencies

The Nominal Defendant did not have any contingent assets or liabilities at 30 June 2023.

#### (b) 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:

	2023	2022
	\$'000	\$'000
No later than one year	1,606	1,362
1-5 years	200	46
<b>Total</b>	<b>1,806</b>	<b>1,408</b>

### 14. EVENTS OCCURRING AFTER THE REPORTING DATE

The Nominal Defendant has not had any material events occur after 30 June 2023.

### 15. 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

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*.

The Australian Accounting Standards Board (AASB) has deferred the mandatory application date of AASB 17 for public sector entities to annual periods beginning on or after 1 July 2026. It has issued AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* and AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* to amend AASB 17 to include modifications that apply to 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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 16. 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.

#### Explanations of major variances

##### Statement of Comprehensive Income

<i>Levy</i>	The increase in levy is due to the release of unearned levies collected in prior year at the higher rate of \$8 instead of \$5.
<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 gains/(losses) on financial assets at fair value through profit and loss</i>	The increase in net fair value gains on financial assets at fair value through profit and loss is primarily due to higher than expected earnings on investments as a result of improvements in the equity market.
<i>Employee expenses</i>	The variance in employee expenses is primarily due to delays in filling vacancies during 2022-23.
<i>Supplies and services</i>	The variance in supplies and services is primarily due to lower than anticipated QIC management fees and contactor payments.

##### 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>Financial assets at fair value through profit and loss (current and non-current)</i>	The variances reflects reclassifications between current and non-current financial assets at fair value through profit and loss combined with lower 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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 16. BUDGETARY REPORTING DISCLOSURES – continued

<i>Accumulated surplus</i>	The decrease in accumulated surplus reflects a lower audited opening balance partially offset by a higher than anticipated operating result in 2022-23.
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#### 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 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 2022-23.
<i>Supplies and services</i>	The variance in supplies and services is primarily due to lower than anticipated QIC management fees and contractor payments.
<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 drawdowns performed during the year to meet cash flow requirements.

### 17. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

#### Details of KMP

The Treasurer and Minister for Trade and Investment is identified as part of Nominal Defendant's 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 2022-23 and 2021-22. Key management personnel also provided services to the MAIC and the NIISQ as part of their overall role.



## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 17. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES - continued

Position	Responsibilities
Insurance Commissioner <sup>(1)</sup>	Leads the efficient, effective and economic administration of the Nominal Defendant.
General Manager MAIC <sup>(1)</sup>	Leads and manages the strategies, policies and performance with respect to the Nominal Defendant claims unit.
General Manager Innovation and Delivery <sup>(2)</sup>	Responsible for driving innovation and delivering business-led solutions for the Nominal Defendant.
General Manager Business Advisory and Services <sup>(2)</sup> (KMP from 5 June 2023)	Responsible for the leadership and supervision, compliance and performance of the Nominal Defendant's corporate service functions, including finance, risk and assurance, human resources, communication and analytics.
Director Finance, Risk and Assurance <sup>(1) &amp; (3)</sup> (KMP to 4 June 2023)	No longer KMP as at reporting date. The position was responsible for the risk management function and ensuring the efficient, effective and economical financial administration of the Nominal Defendant.
Director People, Policy and Communication <sup>(1) &amp; (3)</sup> (KMP to 29 January 2023)	No longer KMP as at reporting date. The role was transferred to NIISQ from 30 January 2023. The position was responsible for managing the Nominal Defendant's human resources, communication and policy function.
Director People, Policy and Communication <sup>(2) &amp; (3)</sup> (KMP from 30 January 2023 to 4 June 2023)	No longer KMP as at reporting date. The position was responsible for managing the Nominal Defendant's human resources, communication and policy function.
Director Analytics <sup>(1) &amp; (3)</sup> (KMP to 4 June 2023)	No longer KMP as at reporting date. The position was responsible for data analysis, reporting and business intelligence functions for the Nominal Defendant.

(1) This is a MAIC position from 1 July 2022 and the remuneration is disclosed in the MAIC financial statements.

(2) This is a NIISQ position and the remuneration is disclosed in the NIISQ financial statements.

(3) These positions were only considered as key management personnel up until the appointment of the General Manager Business Advisory and Services.

### Remuneration policies

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.

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 17. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES - continued

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 Sector Act 2022* (formerly *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 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.

There was nil remuneration for 2022-23 as the KMP was not employed directly by the Nominal Defendant from 1 July 2022. They were employed by either MAIC or the NISQ, which charges a corporate support fee for services provided to the Nominal Defendant. Further information including remuneration for the KMP can be found in the body of the MAIC and the NISQ Annual reports under the section relating to Key Management Personnel and Remuneration.

#### 1 July 2022 to 30 June 2023

Position	Short term employee expenses - monetary expenses \$'000	Long term employee expenses \$'000	Post-employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
	-	-	-	-	-

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 17. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES - continued

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.

#### Performance payments

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

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

### 18. 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**.

The Nominal Defendant has a corporate support services tripartite memorandum of understanding (MOU) in place with MAIC and the NISQ for the receipt and provision of corporate support services among 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**.

### 19. 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**).

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

#### Changes in accounting policies

The Nominal Defendant did not voluntarily change any of its accounting policies during 2022-23.

#### Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2022-23.

#### Accounting standards applied for the first time

No new accounting standards or interpretations that apply to the Nominal Defendant for the first time in 2022-23 had any material impact on the financial statements.

### 21. CLIMATE RISK DISCLOSURE

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting the Nominal Defendant. The Nominal Defendant continues to monitor the emergence of material climate-related risks that may impact the financial statements, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

# Management certificate for the year ended 30 June 2023

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 2023 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.



I HIDAYAT

M (Bus) Finance and Accounting, CA

Acting Director Finance, Risk and Assurance

29 August 2023



N SINGLETON

B.Bus (Insurance), MBA

Insurance Commissioner

29 August 2023

## 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 2023, 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 2023, 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 material accounting policy 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 forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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.

## Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- 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.

*mluwinga*

Martin Luwina  
as delegate of the Auditor-General

29 August 2023

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 2023

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 2023 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 2023 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 2023 is \$132.6 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  
Fellows of the Institute of Actuaries of Australia  
9 August 2023



Arie van den Berg

## Appendix 2: Licensed insurers

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

<sup>1</sup> RACQ will cease to operate as a licensed CTP insurer in Queensland from 1 October 2023.

## Appendix 3: Performance statement (SDS)

Service standards	2022–23 Target/Est.	2022–23 Actual	2023–24 Target/Est.
<b>Effectiveness measures</b>			
Highest annual CTP insurance premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings <sup>1</sup>	<45%	20.8%	<45%
Percentage of Nominal Defendant managed claims finalised compared to the number outstanding at the start of the financial year <sup>2</sup>	60%	44.1%	60%
Percentage of total premiums collected, paid to claimants <sup>3</sup>	>60%	73%	>60%
<b>Efficiency measure</b>			
Motor Accident Insurance Commission enquiry line cost per hour	New measure	New measure	\$115

Note: 1. Measured at 30 June 2023.

2. The variance between the '2022–23 Target/Estimate' and the '2022–23 Actual' is due to the proportion of claims finalised by the Nominal Defendant varying from year to year, with factors outside of their control including the severity of claimants' injuries and complexity of the claims. The 44.1% result is within an acceptable tolerance.

3. A five-year average as at December 2022.

## Appendix 4: Grants and sponsorships

Table 1: Breakdown of grants funded in 2022-23 and 2021-22

Organisation		2022/23 \$'000	2021/22 \$'000
Road Trauma Mitigation Fund	Reduce claims frequency and support <i>Queensland Road Safety Action Plan 2022–24</i>	4,120	4,810
Police Citizens Youth Welfare Association (PCYC Queensland)	Braking the Cycle	3,233	3,099
Metro North Hospital and Health Service	Jamieson Trauma Institute	2,023	2,018
Griffith University	The Hopkins Centre	1,772	1,111
University of Queensland	RECOVER Injury Research Centre (formerly CONROD)	1,435	1,413
Queensland University of Technology	Centre for Accident Research and Road Safety Queensland (CARRS-Q)	1,250	2,051
University of Sunshine Coast	Drug Driving Research Unit	1,091	1,045
University of Sunshine Coast	Road Safety Research Collaboration	964	905
University of Queensland	PREDICT-TBI	757	734
Bionics Queensland	Bionics Challenge 2022	445	26
Griffith University	BioSpine	423	421
Queensland University of Technology	Support fellowship to establish a linked road crash injury database	202	191
Griffith University	First Peoples and CTP Initiative	136	186
Queensland Trucking Association	First on Scene – Remote Incident Training	122	0
Emergency Medicine Foundation	Research for trauma and emergency care in regional, rural and remote Queensland	120	0
Department of Justice	Licensing Muster	120	0
Transport for New South Wales	Motorcycle Protective Clothing testing initiative	90	85
University of Queensland via Children's Health Foundation Queensland	Partnership funding to establish a Queensland Chair in Paediatric Rehabilitation (2017–2022)	80	150
Griffith University	First on Scene – Remote Incident Training	69	0
Department of Transport and Main Roads	Transport Academic Partnership 2020–2025 - formerly Academic Strategic Transport Alliance (ASTRA)	64	63

**Table 1: Breakdown of grants funded in 2022-23 and 2021-22 (cont)**

Organisation		2022/23 \$'000	2021/22 \$'000
<b>Spinal Life Australia</b>	Back2Work – vocational rehabilitation project	55	616
<b>Police Citizens Youth Welfare Association (PCYC Queensland)</b>	Pilot of culturally-appropriate Braking the Cycle program in the Napranum community	6	72
<b>Sponsorships</b>	Provide sponsorships to one-off activities aimed at accident prevention or enhancing injury management/ rehabilitation	5	43
<b>Griffith University</b>	Spinal Cord Therapy research	0	2,054
<b>University of Queensland</b>	Professorial Fellowship in Traumatic Brain Injury Research at the Queensland Brain Institute (2021–2024)	0	373
<b>Griffith University</b>	Research to investigate motorhomes and recreational hire vehicle safety with Apollo Tourism and Leisure Pty Ltd	0	37
<b>Prince Charles Foundation</b>	Pilot project to redesign ICU environments to optimise patient outcomes and experiences	0	157
<b>Metro South Hospital and Health Service</b>	Transitional rehabilitation service pilot (2016–2021)	0	1,030
<b>University of Queensland</b>	My Whiplash Navigator initiative	0	66
<b>University of Queensland</b>	Sleep studies in children with traumatic brain injuries	0	484
<b>Queensland University of Technology</b>	Road Trauma Modelling	0	168
<b>Centre for Accident Research and Road Safety (CARRS-Q)</b>	Recidivist drivers research study	0	39
<b>Total Funding</b>		<b>18,582</b>	<b>23,447</b>

**Table 2: Breakdown of grant refunds in 2022-23 and 2021-22**

Organisation		2022/23 \$'000	2021/22 \$'000
<b>Road Trauma Mitigation Fund</b>	Reduce claims frequency and support <i>Queensland Road Safety Action Plan 2022–24</i>	(638)	(234)
<b>University of Queensland</b>	RTMS Post-Concussion Study	(154)	0
<b>Metro North Hospital and Health Service</b>	Jamieson Trauma Institute	(115)	(214)
<b>University of Queensland</b>	Sleep studies in children with traumatic brain injuries	(52)	0
<b>Griffith University</b>	Healthy Minds Project	(48)	0
<b>Sunshine Coast Council</b>	Rear End Crashes pilot	(18)	0
<b>Queensland University of Technology</b>	Road Trauma Modelling	(10)	0
<b>Griffith University</b>	The Hopkins Centre	(6)	0
<b>University of Queensland</b>	Queensland Chair in Paediatric Rehabilitation	(2)	0
<b>Metro South Hospital and Health Service</b>	Transitional rehabilitation service pilot (2016–2021)	0	(283)
<b>University of Sunshine Coast</b>	Awareness fast tracking, including identifying escape routes (SAFER) focused on peer passengers.	0	(52)
<b>Centre for Accident Research and Road Safety (CARRS-Q)</b>	Analysis of fatal and serious injury crashes by region	0	(47)
<b>Queensland University of Technology</b>	Data Linkage Fellowship	0	(3)
<b>University of Queensland</b>	Review healthcare services being utilised by children with a traumatic brain injury	0	(3)
<b>Total Funding Returned</b>		<b>(1,043)</b>	<b>(836)</b>

### Ongoing projects funded in previous years

In the majority of cases, the following projects were 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/>
- <https://www.hopkinscentre.edu.au/>
- [www.metronorth.health.qld.gov.au/jamieson-trauma-institute](http://www.metronorth.health.qld.gov.au/jamieson-trauma-institute)
- <https://www.usc.edu.au/about/structure/schools/school-of-law-and-society/maic-unisc-road-safety-research-collaboration>.

## Appendix 5: Glossary

Term	Definition
Claim farming (car crash scamming)	A process where people receive unsolicited contact about being involved in a motor vehicle crash. Claim farmers 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, drivers and their passengers from being personally sued if they are responsible for injuring someone in a motor vehicle crash. It also enables the injured person to claim fair and timely compensation for their injuries and access prompt medical and rehabilitation treatment.
<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 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 crash 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.
Scheme efficiency	The proportion of each premium dollar paid out as a claimant benefit. We consider a minimum benchmark is for 60 per cent of CTP insurance premiums to be delivered as claimant benefits.
Service delivery statements (SDS)	Service delivery statements (SDS) provides budgeted financial and non-financial performance information (including measures and targets) for the budget year.



