



Motor Accident Insurance Commission

Annual Report 2023–24

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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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Contents

04	Letter of compliance and certification of financial statements
05	About us
07	Insurance Commissioner's report
08	Report card
09	Levies and administration fee
11	Achievements
15	Governance
17	Our leadership team
19	Risk management
21	Statistics
23	Motor Accident Insurance Commission financial summary 2023–24
24	Motor Accident Insurance Commission financial statements 2023–24
49	Nominal Defendant financial summary 2023–24
50	Nominal Defendant financial statements 2023–24
78	Appendices
	Appendix 1: Actuarial certificate, Nominal Defendant Fund
	Appendix 2: Licensed insurers
	Appendix 3: Performance statement (SDS)
	Appendix 4: Grants and sponsorships
	Appendix 5: Glossary
	Appendix 6: Compliance checklist

Letter of compliance and certification of financial statements

30 August 2024

The Honourable Cameron Dick MP
Deputy Premier, 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 2023–24 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 is provided at [page 86–87](#) of this annual report.

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 fees 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 Officer 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 boldly lead our scheme to support injured claimants and motorists, while ensuring strong and efficient governance.

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 strive to deliver our objectives:

- easier, clearer claimant and motorist experiences
- sustain confidence in the scheme and our regulatory and compliance leadership
- an awesome and highly effective team.

Our contribution to government objectives for the community

We also support the Queensland Government's objectives for the community, including *good jobs*, *better services* and *great lifestyle*.

Our opportunities

We embrace the opportunity to:

- create an agile and dynamic culture which responds to leading changes in our scheme
- improve collaboration and co-design with stakeholders, researchers and scheme partners to deliver better experiences and reduce the incidence and effects of road trauma
- leverage emerging innovations 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
- failure to understand the priorities of diverse stakeholders
- failure to keep pace with changing claimant expectations and experiences.

Our success measures

Our success is indicated by:

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

Insurance Commissioner's report

It is pleasing to report that Queensland motorists and road users continue to benefit from a Compulsory Third Party (CTP) insurance scheme (the scheme) that is stable, fair and affordable.

Premiums for a Class 1 (car or sedan) remain one of the most affordable on mainland Australia.

The scheme continues to deliver timely access to treatment and rehabilitation and fair compensation. Insurers continue to focus on service initiatives for injured people; litigation rates remain low; and very few matters proceed to trial reflecting the professional approach of insurers and lawyers in the management of claims. Insurer profitability at a whole of scheme level remains favourable and scheme efficiency remains sound with 73% of every premium dollar being paid as a claimant benefit.

With RACQ Insurance exiting the scheme from 1 October 2023, urgent work was carried out by MAIC and DTMR officers to ensure the smooth reallocation of RACQ policies to the remaining three insurers. The urgency of this work required the 2023 Scheme Review to be put on hold. I thank the teams involved as well as the licensed insurers for their support in ensuring a smooth and successful reallocation process.

Our main areas of focus this year will continue into 2024–25 and are outlined in this report. MAIC will continue to explore research opportunities and initiatives to further reduce the incidence and effects of road trauma in Queensland. MAIC reaches its 30th anniversary in September 2024 – a time to reflect on the many achievements over that time as well as an opportunity to inspire further innovation and improvement in road safety outcomes.

My thanks to all MAIC and Nominal Defendant staff for their sustained contributions to scheme performance during the year. Our *Working for Queensland* survey score of 82% reflects the wonderful culture and engagement levels across the team.

I also express my thanks to the many stakeholders including researchers, health practitioners, professional bodies and others who contributed to our initiatives during the year. Queensland road users enjoy protection from one of the best performing CTP schemes in Australia through your commitment and collaborative focus on scheme performance.



Neil Singleton
Insurance Commissioner

Report card

Highlights	Performance indicators	Target	Outcome
<i>Objective 1. Easier, clearer claimant and motorist experiences</i>			
Educate and improve scheme awareness and understanding	• Continued to develop community and stakeholder engagement resources and engaged in events which promote our scheme	Achieved	On track
	• Used insights from the enquiries line, complaints, Google Analytics and Andi (MAIC's online virtual assistant) to develop tailored content for people with questions	Achieved	Achieved
Simplify and modernise experiences, processes and scheme requirements	• Delivered an improved Notice of Accident Claim form incorporating feedback from stakeholders and legislative reform (note this is broader than digital)	Achieved	On track
	• Worked with legal and insurer stakeholders to improve the quality and efficiency of the claims process, including exploring ways to enable claimants to lodge claims earlier and obtain access to early treatment	Achieved	Achieved
Embed leading treatment and care; and the voice of the claimant and motorist in our work	• Developed MAIC capability in human-centred design	Achieved	Achieved
	• Conducted regular surveys of stakeholders to identify trends and improve experiences	Achieved	Achieved
	• Enhanced Nominal Defendant Key Performance Indicators (developed in 2022–23), working to design effective, clear, and meaningful measures	Achieved	Achieved
	• Explored new research initiatives that are patient or clinical-driven to ensure optimal uptake and usage of treatment, care and services	Achieved	Achieved
<i>Objective 2. Sustain confidence in the scheme and our regulatory and compliance leadership</i>			
Effective systems, regulatory tools, techniques and practices	• Reviewed and implemented approved recommendations from Internal Audit's 'Better Practice' scan	Achieved	On track
	• Reviewed and recommended approach for external business systems and digital solutions	Achieved	Achieved
	• Uplifted existing software and platforms to achieve best return on investment and security	Achieved	Achieved
Prudent management of agency costs	• Corporate procurement opportunities identified	Achieved	Achieved
	• High risk contracts have a contract management plan in place	Achieved	On track
Proactive compliance and enforcement regime	• Drove continued scheme confidence and stability through focused claim farming and fraud mitigation, investigation and prosecution measures in line with MAIC's enforcement framework	Achieved	On track
Data-driven decision making	• Implemented jurisdictional scanning practices and provided regular reports to the executive team	Achieved	Achieved
	• Established a comprehensive data governance protocol to ensure the best possible data integrity regime	Achieved	On track
<i>Objective 3. An awesome and highly effective team</i>			
Develop a safe, proactive and unified culture	<ul style="list-style-type: none"> • Continued to champion the 'Drives Together' internal culture through delivery of the framework, playbook and ongoing action plan of initiatives throughout the year • Developed and implemented culture-building events, learning and development offerings, communications and collateral • <i>Working for Queensland</i> survey results actioned – employee engagement data • Internal culture video developed 	Achieved	On track
Simplify and streamline internal processes	• Finalised development of grants and research system	Achieved	Achieved
Build and strengthen strategic partnerships and capabilities	• Actively collaborated with Australian financial regulators to ensure the integrity of the scheme	Achieved	On track
	• Strengthened partnerships with Queensland Health, Queensland Police Service (QPS), National Heavy Vehicle Regulator (NHVR), DTMR and WorkCover on data sharing and data linkage initiatives	Achieved	On track

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 2023, the levy remained flat at \$2.00 per policy and collected \$10.0 million across 2023–24.

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 2023, the levy for Class 1 vehicles decreased by \$1.00 to \$4.00 with \$19.3 million collected in 2023–24.

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 2023, the hospital and emergency services levy increased by \$1.60 to \$14.00 for a Class 1 vehicle. The collected income from the levy for the financial year was \$66.7 million of which \$54.5 million was apportioned to Queensland Health, \$3.3 million to Queensland Fire and Emergency Services (QFES) and \$8.9 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 a significant administrative 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 \$2.40 to \$119.00 for a Class 1 vehicle in 2023–24 and collected \$609.3 million.

Administration fee

The administration fee is the fee payable to DTMR for delivering administrative support for the CTP insurance scheme. The administration fee increased by 60 cents to \$8.60 per policy in 2023–24 and collected \$42.7 million.

Premium levy and fee collection

1 July 2023 to 30 June 2024

Description*	\$ ('000)
Total insurance premiums collected**	1,925,133
Nominal Defendant levy	19,310
Statutory insurance scheme levy	10,045
Hospital and emergency services levy^	66,655
Administration fee (DTMR fee)	42,671
NIISQ levy+	609,306
Insurer's premiums#	1,177,146

Notes: * Levies received for the period 1 July 2023 to 30 June 2024 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

RACQ scheme withdrawal and policy reallocation

In mid-2023, one of Queensland's four licensed CTP insurers, RACQ Insurance Limited (RACQ), requested approval to withdraw from the CTP insurance scheme.

While this was a commercial decision for RACQ, as scheme regulator MAIC had a responsibility to consider their request and associated withdrawal ramifications in line with the *Motor Accident Insurance Act 1994*. We also consulted with the remaining three licensed CTP insurers and the Australian Prudential Regulatory Authority (APRA) as part of the process.

Once the withdrawal request was accepted, it was determined that RACQ's existing CTP insurance policies would be reassigned from the next registration renewal date after the withdrawal took effect, meaning there would be no impact on motorists or premium prices.

RACQ withdrew as a licensed CTP insurer on 1 October 2023, and we worked closely with RACQ and the Department of Transport and Main Roads in the months pre and post this date to deliver a smooth transition for people who had CTP claims underway or who had CTP insurance policies with RACQ.

As a result, the scheme continues to run effectively with the three remaining licensed CTP insurers, and motorists and claimants remaining supported. MAIC will continue to closely monitor the impact on the scheme.

Australia's first claim farming prosecution

MAIC commenced prosecution proceedings against five separate parties for various claim farming offences. A successful prosecution against one of the entities has resulted in the Brisbane Magistrates Court sentencing an Australian company to fines totalling \$1 million. The sentence was the first for claim farming-related offending in Australia. The trial for the remaining charges has been part heard and is expected to resume in the latter part of 2024.

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.

Claim farming notifications from Queenslanders continued to trend down from more than 1,300 complaints in 2019 to 27 reported in 2023–24. Our team actively investigates these notifications and will prosecute where appropriate.

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.

Guiding principles co-designed by industry partners

A series of workshops facilitated by MAIC, involving CTP insurers and legal practitioners, explored opportunities to improve the efficiency of claim processing and enhance the experience of people injured in motor vehicle crashes who access the CTP insurance scheme.

One outcome of the stakeholder meetings was the drafting of guiding principles co-designed by CTP insurers, claimant lawyers, the Australian Lawyers Alliance (ALA), the Queensland Law Society (QLS) and MAIC.

The principles aim to provide a framework for best-practice claims management and ensure a more certain and efficient claimant experience that places the claimant at the centre of their claim journey.

View the *Queensland compulsory third party insurance claimant experience: guiding principles* at <https://maic.qld.gov.au/wp-content/uploads/2023/09/CTP-Claimant-Experience-Guiding-Principles.pdf>.

Innovation sprints drive collaboration

In late 2023, MAIC participated in an innovation 'sprint' in collaboration with the Queensland University of Technology (QUT) to develop innovative solutions that prioritise claimant-centric service design and leverage digital tools to streamline the claims process.

Working alongside other stakeholders, including insurers, law firms, health providers and researchers, the sprint identified and developed concepts that are underpinned by the principles of accessibility, intelligence, equity and proactive organisation to ensure fair and efficient access to claims and rehabilitation services.

MAIC has categorised the concepts into three themes:

- Quick wins: Initiatives identified in the sprint that are either already underway or backed by stakeholders and easy to roll-out.
- Scheme wide initiatives: Initiatives that are broadly supported and would benefit from MAIC's leadership (for example, initiatives requiring engagement with government agencies).
- Co-design initiatives: Initiatives that MAIC will be looking for stakeholder feedback and participation to co-design.

Quick wins MAIC has already rolled out include:

- an update to the at-fault CTP insurer search which provides insurer contact information and easier access to claims information
- updated whiplash information including the MAIC-funded *My Whiplash Navigator* — an online guide that has been co-designed by researchers and clinicians to provide information and advice based on the latest evidence to support whiplash recovery.

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 NIISQ

In line with the NIISQ Act, we monitor the efficiency and effectiveness of the NIISQ Agency which administers the NIISQ. The NIISQ Agency assesses, decides and funds necessary and reasonable lifetime treatment, care and support for people who sustain an eligible serious personal injury in a motor crash in Queensland, on or after 1 July 2016.

The cost of administering NIISQ during 2023–24 was \$575.49 million. As at 30 June 2024, NIISQ has 526 interim and lifetime participants. Further information about NIISQ and NIISQ Agency's operations can be found in the NIISQ 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"> • Road Safety Research Collaboration • Drug Driving Unit
Queensland University of Technology	<ul style="list-style-type: none"> • Centre for Accident Research and Road Safety • Data Linkage Fellowship • Braking the Cycle evaluation
Griffith University	<ul style="list-style-type: none"> • First Peoples and CTP Initiative • First on Scene pilot for heavy vehicle drivers • Procedural justice policing pilot
Police Citizens and Youth Welfare Association (PCYC)	<ul style="list-style-type: none"> • Braking the Cycle learner driver mentor program • 'Changing Gears' program
Queensland Trucking Association	<ul style="list-style-type: none"> • First on Scene pilot for heavy vehicle drivers
Department of Transport and Main Roads	<ul style="list-style-type: none"> • Transport Academic Partnership • Road Safety Data Bureau
Transport New South Wales	<ul style="list-style-type: none"> • MotoCAP motorcycle safety gear ratings
Department of Justice and Attorney-General	<ul style="list-style-type: none"> • Licensing and identification muster
Logan City Council	<ul style="list-style-type: none"> • Analytics pilot study

Prevention of road crashes

In line with our legislative functions, MAIC supports a range of ongoing and one-off initiatives that contribute to the ongoing viability and affordability of the Queensland CTP scheme. This investment spans from targeting the prevention of road crashes through to reducing the impacts of road trauma by influencing enhancements in the treatment, care and rehabilitation of those injured.

In 2023–24, in our Road Safety program we commenced a new pilot project with the Queensland Trucking Association. This pilot will look at the impacts of providing a first aid and crash scene management training program to 150 heavy vehicle drivers.

Research has identified that 70% of heavy vehicle drivers have been first on scene of a crash in a regional or remote area, with 50% of these drivers rendering first aid for significant periods before emergency services personnel arrive. Given the vast geographical area of Queensland, the chance of this occurring is even higher than in other states. This pilot project is nearing completion, and we look forward to the potential benefits that this training may provide in future years.

We also commenced funding of a new initiative with Griffith University being conducted in collaboration with the Queensland Police Service. This initiative will pilot the effectiveness of a new approach by police officers in terms of intercepting motorcyclists and drivers in two high risk locations in Brisbane.

Rather than an initial enforcement approach, this pilot will be based on procedural justice (or fair treatment and decision making). Previous research has highlighted that this procedurally just approach has worked effectively at random breath testing sites, with those intercepted reporting they were more likely to comply with Police, and reporting greater satisfaction with their intervention. This pilot will look at impacts of driver/rider performance post intervention in terms of speeding at these known high risk-taking sites.

MAIC's funding to the PCYC Changing Gears program, the First Nations adaption of the Braking the Cycle program, expanded to two new sites, Yarrabah and Palm Island, in 2023–24. This is in addition to the existing site at Napranum. PCYC are continuing to develop and adjust this model on an ongoing basis to best support the much-needed enhancement of road safety education and training within these communities.

During 2023–24, the University of the Sunshine Coast Road Safety Research Collaboration had its first PhD graduate, Dr Laura Mills. This is a significant outcome and we look forward to several more graduates in coming years, as a means of developing future road safety researchers and practitioners. The inaugural Director of the Collaboration, Professor Jeremy Davey, was also awarded Emeritus Professor status in recognition of his work in road safety overall and his leadership in implementing an effective program to employ local students and graduates as early researchers within this Collaboration.

Maximising recovery

Institution	Title
University of Queensland	<ul style="list-style-type: none"> • RECOVER Injury Research Centre • Whiplash Clinical Pathway
Griffith University	<ul style="list-style-type: none"> • The Hopkins Centre • Spinal Injury Project • BioSpine
Metro North Hospital and Health Service	<ul style="list-style-type: none"> • Jamieson Trauma Institute
Spinal Life Australia	<ul style="list-style-type: none"> • Back2Work Vocational Rehabilitation Program
Queensland Brain Institute	<ul style="list-style-type: none"> • Senior Research Fellowship in TBI • Prediction and diagnosis using imaging and clinical biomarkers trial
Children's Health Queensland Hospital and Health Service and University of Queensland	<ul style="list-style-type: none"> • Chair of Paediatric-Rehabilitation
Emergency Medicine Foundation	<ul style="list-style-type: none"> • Grants program to enhance clinician research in rural, remote and regional Queensland
Bionics Gamechangers Australia	<ul style="list-style-type: none"> • 2024 Student Challenge
Retrieval Services Queensland	<ul style="list-style-type: none"> • Research pilot

The activities we support 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.

In 2023–24, we established new funding arrangements with Retrieval Services Queensland and Bionics Gamechangers Australia.

For Retrieval Services Queensland, our funding will pilot a three-year program that will increase the research and data analytics capacity with the aim of improving patient outcomes in regional, rural and remote Queensland.

The provision of high quality and timely treatment and transport to hospital following an injury is crucial to patient survival and long-term health outcomes. While approximately 17% of claims occur on regional and remote Queensland roads, injuries sustained are often more serious with an overrepresentation of brain and spinal cord injuries

Funding to Bionics Gamechangers Australia will support the 2024 Student Challenge. This challenge will target Queensland University students enrolled in an undergraduate and/or Honours program in health, engineering, science, design, business or technology-based degrees.

Student proposals will focus on a 'new world idea' or a marked improvement in design, usability and end user benefits of a device, implant or treatment. This includes devices of relevance to those impacted by road trauma.

Our funding to two major spinal cord projects with Griffith University has seen both initiatives continuing to progress strongly. The Spinal Injury Project cell transportation therapy for treating spinal cord injury has received approval by the human ethics committee of the Gold Coast University Hospital. It is anticipated that the human clinical trial for this project will commence within the second half of 2024. This is a very exciting development and the research team are continuing to attempt to source funding to allow for an increase in participant numbers.

The BioSpine project has also made significant progress in 2023–24. The research team has continued to develop and advance technology, including creating and testing new hardware, software and firmware to improve the usability and performance of the BioSpine and BioWrap products. Pilot testing has commenced on non-invasive electrical stimulation of the spinal cord with several co-design activities. This has provided some promising outcomes to date, which will be further validated by the researchers in the near future.

Governance

Our people

We strive to create a positive workplace environment where our people are engaged, committed and highly capable. In 2023–24, MAIC continued to embed flexible work practices that support business needs, while supporting staff to create a healthy balance between work and personal commitments.

Our leaders are role models and active supporters of inclusion and diversity in the workplace, regularly acknowledging external awareness events and days of significance, such as NAIDOC Week and the International Day Against LGBTQIA+ Discrimination (IDAHOBIT). Employees are also provided with the opportunity to immerse themselves in lunch and learn discussions, team showcases, cultural training, Innovation Day activities and other work programs.

The health and wellbeing of our team is essential and during 2023–24 we continued to encourage our staff to maintain an appropriate work-life balance. We supported our employees through trauma-informed practice training, along with employee performance management and development programs. Staff had regular opportunities to check-in and provide feedback, through the *Working for Queensland* survey (with a 93% completion rate), and workplace health and safety strategies.

We met our obligations under the *Public Sector 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 59](#) 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.

No human rights complaints were received during the 2023–24 reporting period.

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 Deputy Premier, 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 operational policy and project management.

The leadership team supports the Insurance Commissioner, as the accountable officer, to meet legislative requirements and accountabilities as well as to identify and manage key areas of risk. As at 30 June 2024, 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

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*

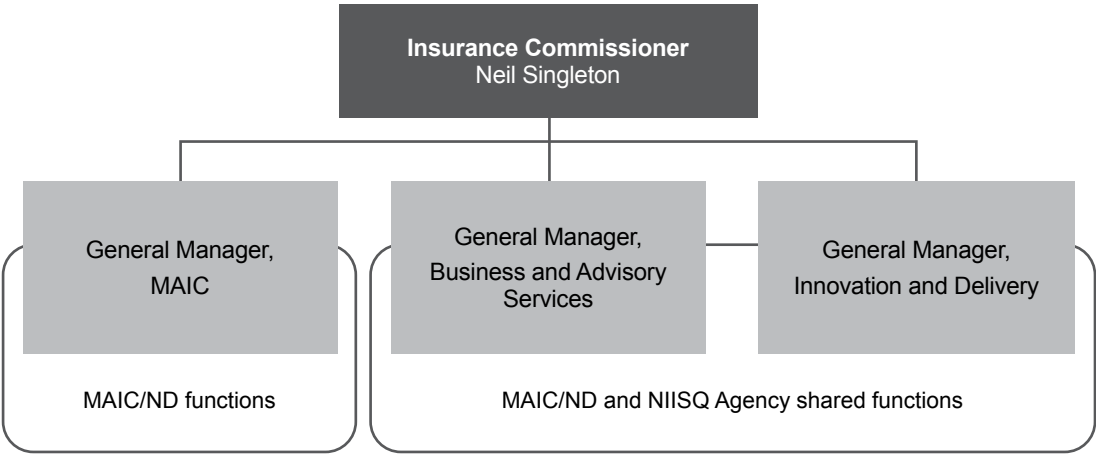
Anh is responsible for leading diverse teams across a broad range of strategic and operational functions including finance, procurement, corporate governance, communications, people, and culture. As a qualified accountant and governance professional, Anh has over 20 years' experience in financial services, 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 (ARMC).

The 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 2019* 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.

2023–24 Audit and Risk Management Committee

Chair:

Independent member

Members:

- Assistant Under Treasurer, Social Policy
- Insurance Commissioner
- Commissioner of State Revenue and Registrar of the State Penalties Enforcement Registry
- Independent member and finance expert

The Under Treasurer, 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 2023–24

In 2023–24, Treasury's ARMC met five times and fulfilled its responsibilities in accordance with its charter and approved work plan. Key achievements included:

- endorsing the *2022–23 Financial Statements* for Treasury, MAIC and Nominal Defendant
- endorsing the three-year strategic *Internal Audit Plan* and monitoring 2023–24 internal audit activity
- reviewing the effectiveness of the department's risk management framework and overseeing the management of significant business risks and material projects
- 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*, and the *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: 2023–24*, are available at <https://maic.qld.gov.au/scheme-knowledge-centre/ctp-scheme-insights>.

We support the *Queensland Government Open Data Initiative*. In 2023–24, 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

Financial statements 2023–24

Statement of comprehensive income	24
Statement of financial position	25
Statement of changes in equity	26
Statement of cash flows	27
Notes to and forming part of the financial statements	29
Management certificate	46
Independent auditor's report	47

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
Brisbane QLD 4000

The postal address is:
GPO Box 2203
Brisbane QLD 4001

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

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

Nominal Defendant

Financial statements 2023–24

Statement of comprehensive income	50
Statement of financial position	51
Statement of changes in equity	52
Statement of cash flows	53
Notes to and forming part of the financial statements	54
Management certificate	75
Independent auditor's report	76

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
Brisbane QLD 4000

The postal address is:
GPO Box 2203
Brisbane QLD 4001

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

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

Motor Accident Insurance Commission

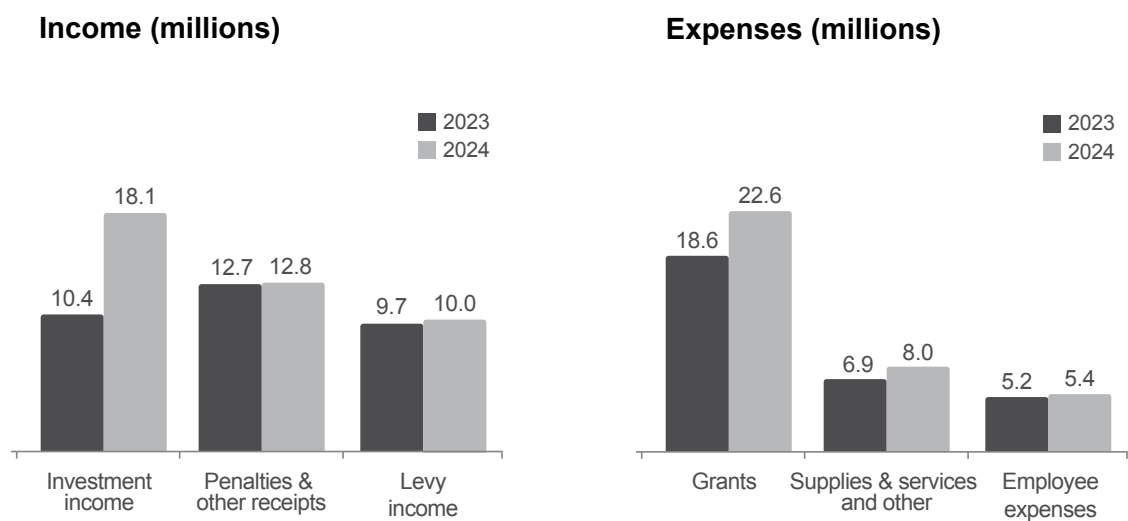
Summary of financial performance 2023–24

The operating result for MAIC for the year ended 30 June 2024 was an operating surplus of \$5.0 million compared to the prior year's surplus of \$2.1 million. The increase was driven by an increase in investment returns on financial assets, levy and penalty income, offset with the increase in total expenses.

The statutory insurance scheme levy per vehicle remained \$2.00 per annum in 2023-24. Penalties and other income increased by \$0.1 million to \$12.8 million.

The investment returns on financial assets were gains of \$18.1 million compared to prior year's gains of \$10.4 million. This reflects improvements in the equity market.

Total expenses increased by \$5.3 million to \$36.0 million in 2023–24. MAIC's largest expense item relates to grants spend of \$22.6 million for the continued funding of research programs to reduce the incidence and mitigate the effects of road trauma. The increase in grants expense of \$4.0 million was largely due to increase in proposed investment in targeted research and service delivery. Details of grants funding are provided in Appendix 4.



Motor Accident Insurance Commission financial statements 2023–24

Statement of comprehensive income for the year ended 30 June 2024

	Note	2024 Actual \$'000	2024 Original Budget \$'000	Budget Variance* \$'000	2023 Actual \$'000
Income					
Levy	3	10,045	9,733	312	9,651
Penalties	4	11,106	9,500	1,606	10,289
User charges	5	1,226	1,226	-	1,321
Other revenue		435	-	435	1,044
Total revenue		22,812	20,459	2,353	22,305
Net fair value gains on financial assets at fair value through profit or loss	12	18,113	8,500	9,613	10,444
Total income		40,925	28,959	11,966	32,749
Expenses					
Grants	6	22,553	23,000	(447)	18,582
Employee expenses	7	5,393	5,751	(358)	5,194
Supplies and services	8	7,947	7,840	107	6,832
Depreciation and amortisation		23	12	11	13
Other expenses	9	51	49	2	49
Total expenses		35,967	36,652	(685)	30,670
Operating result		4,958	(7,693)	12,651	2,079
Total comprehensive income/(losses)		4,958	(7,693)	12,651	2,079

* 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 2024

	Note	2024 Actual \$'000	2024 Original Budget \$'000	Budget Variance* \$'000	2023 Actual \$'000
Current assets					
Cash and cash equivalents		11,382	5,000	6,382	7,297
Receivables	10	1,005	830	175	1,387
Prepayments		224	-	224	-
Total current assets		12,611	5,830	6,781	8,684
Non-current assets					
Financial assets at fair value through profit or loss	12 & 13	124,187	109,615	14,572	123,084
Plant and equipment		91	24	67	121
Total non-current assets		124,278	109,639	14,639	123,205
Total assets		136,889	115,469	21,420	131,889
Current liabilities					
Payables	11	595	568	27	560
Accrued employee benefits		147	124	23	140
Total current liabilities		742	692	50	700
Total liabilities		742	692	50	700
Net assets		136,147	114,777	21,370	131,189
Equity					
Contributed equity		57,818	57,818	-	57,818
Accumulated surplus		78,329	56,959	21,370	73,371
Total equity		136,147	114,777	21,370	131,189

* 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 2024

	Accumulated Surplus	Contributed Equity	Total Equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2022	71,292	57,818	129,110
Operating result	2,079	-	2,079
Balance as at 30 June 2023	73,371	57,818	131,189
Balance as at 1 July 2023	73,371	57,818	131,189
Operating result	4,958	-	4,958
Balance as at 30 June 2024	78,329	57,818	136,147

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2024

	Note	2024 Actual \$'000	2024 Original Budget \$'000	Budget Variance* \$'000	2023 Actual \$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Levy		10,045	9,733	312	9,650
Penalties		11,070	9,500	1,570	10,042
User charges		1,226	1,226	-	1,321
GST input tax credits from Australian Taxation Office (ATO)		2,943	-	2,943	2,245
GST collected from customers		114	46	68	121
Other revenue		670	-	670	813
<i>Outflows:</i>					
Grants		(22,553)	(23,000)	447	(18,648)
Employee expenses		(5,436)	(5,834)	398	(5,186)
Supplies and services		(7,216)	(8,602)	1,386	(6,104)
GST remitted to ATO		(121)	(194)	73	(161)
GST paid to suppliers		(2,768)	-	(2,768)	(2,234)
Other expenses		(46)	-	(46)	(45)
Net cash (used in) operating activities	CF-1	(12,072)	(17,125)	5,053	(8,186)
Cash flows from investing activities					
<i>Inflow:</i>					
Proceeds from sale of other financial assets		15,000	17,125	(2,125)	10,000
Distributions received		1,236	-	1,236	1,170
<i>Outflow:</i>					
Payments for plant and equipment		(79)	-	(79)	-
Net cash provided by investing activities		16,157	17,125	(968)	11,170
Net increase in cash and cash equivalents		4,085	-	4,085	2,984
Cash and cash equivalents at the beginning of the financial year		7,297	5,000	2,297	4,313
Cash and cash equivalents at the end of the financial year		11,382	5,000	6,382	7,297

* 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 2024

CF-1 Reconciliation of operating result to net cash used in operating activities

	2024	2023
	\$'000	\$'000
Operating result	4,958	2,079
<i>Non-cash items included in operating result:</i>		
Net fair value (gains) on financial assets at fair value through profit or loss less management fee	(17,393)	(9,728)
Depreciation and amortisation	23	13
<i>Change in assets and liabilities:</i>		
(Increase) / decrease in financial assets at fair value through profit or loss	54	55
(Increase) / decrease in prepayments	(224)	18
(Increase) / decrease in receivables	382	(557)
Increase / (decrease) in current payables	121	(86)
Increase / (decrease) in accrued employee benefits	7	20
Net cash (used in) operating activities	(12,072)	(8,186)

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 2024

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 2023.

(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 2022-23 financial statements except where restatement was necessary to be consistent with disclosures in the current reporting period.

(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 or 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 or loss (refer to **Note 12**).

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1. BASIS OF FINANCIAL STATEMENT PREPARATION - continued

(g) Authorisation of financial statements for issue

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

(h) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or 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 at fair value through profit or 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

5. USER CHARGES

	2024 \$'000	2023 \$'000
ND corporate services charges	677	705
NIISQ corporate services charges	549	616
Total	1,226	1,321

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 (Refer to **Note 8**) and provision of corporate support services among the three entities. The charges above represent the services provided to the two agencies.

6. GRANTS

	2024 \$'000	2023 \$'000
Rehabilitation initiatives research	9,725	7,230
Strategic accident prevention research	8,831	7,227
Road trauma mitigation research	3,997	4,120
Other	-	5
Total	22,553	18,582

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

	2024 \$'000	2023 \$'000
Employee benefits and employee related expenses		
Salaries and wages	4,175	3,968
Employer superannuation contributions	622	547
Leave levies	454	529
Employee related expenses	127	55
Other employee benefits	15	95
Total	5,393	5,194

The number of employees, including both full-time employees and part-time employees, measured on a full-time equivalent basis is 32 as at 30 June 2024 and 33 for 30 June 2023 (reflecting Minimum Obligatory Human Resource Information).

Notes to and forming part of the financial statements

for the year ended 30 June 2024

7. EMPLOYEE EXPENSES - continued

Wages, salaries and sick leave

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

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

Annual and long service leave

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

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

Superannuation

Employer superannuation contributions are provided through defined contribution (accumulation) plans or the Queensland Government's 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**.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

8. SUPPLIES AND SERVICES

	2024 \$'000	2023 \$'000
Consultants and contractors	2,233	1,919
IT related expenses	1,013	1,086
Legal fee	874	906
NIISQ corporate services fee*	769	312
Queensland Treasury corporate services fee	756	862
QIC management fee	720	716
Queensland Treasury actuarial fees	499	490
Rent	461	419
DTMR - RACQ withdrawal related expenses	457	-
Supplies and consumables	165	122
Total	7,947	6,832

* Corporate support services provided by National Injury Insurance Agency, Queensland (NIISQ) to the Motor Accident Insurance Commission (MAIC) under the tripartite memorandum of understanding (Refer to **Note 20**).

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.

9. OTHER EXPENSES

	2024 \$'000	2023 \$'000
Queensland Audit Office - external audit fees	28	25
Insurance premiums - Queensland Government Insurance Fund	23	24
Total	51	49

Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$27,500 (2023: \$25,000).

Notes to and forming part of the financial statements

for the year ended 30 June 2024

10. RECEIVABLES

	2024 \$'000	2023 \$'000
Accrued penalties	634	597
GST receivable	196	371
Leave reimbursements	175	184
Other receivables	-	235
Total	1,005	1,387

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

	2024 \$'000	2023 \$'000
Current		
Accrued expenses	308	362
Trade creditors	284	189
FBT payable	3	2
GST payable	-	7
Total	595	560

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 2024

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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets at fair value through profit or loss	103,043	107,543	21,144	15,541	124,187	123,084
Total	103,043	107,543	21,144	15,541	124,187	123,084

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 2024

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)**.

Reconciliation of Level 3 fair value movements

	2024	2023
	\$'000	\$'000
Financial assets at fair value through profit and loss - QIC Registry Trust		
Carrying amount at 1 July	15,541	14,947
Distributions	(1,236)	(1,170)
Gains recognised in operating result	6,839	1,764
Carrying amount at 30 June	21,144	15,541

13. FINANCIAL RISK DISCLOSURES

(a) Categorisation of financial instruments

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

Category	Note	2024 \$'000	2023 \$'000
Financial assets			
Cash and cash equivalents		11,382	7,297
Receivables (amortised cost)	10	1,005	1,387
Financial assets at fair value through profit or loss	12	124,187	123,084
Total		136,574	131,768
Financial liabilities			
Current payables (amortised cost)	11	595	560
Total		595	560

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 2024

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:

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

(i) Credit risk

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

The carrying amount of financial assets disclosed in **Note 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 – namely, unit prices, interest rates and foreign exchange rates. Market risk comprises of foreign currency risk, interest rate risk and other price risk.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

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 market prices of the funds will change during the next reporting period.

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 or loss if the market prices 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. The foreign exchange risk represents the risk that the exposure value (in AUD) of a financial instrument will fluctuate because of changes in foreign exchange rates. For example, if the underlying foreign currencies strengthen, the AUD exposure value will weaken, and vice-versa.

2024	Price Risk		Interest Rate Risk		Foreign Exchange Risk	
Investments	-10%	+10%	-0.25%	+0.25%	-10%	+10%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
QIC Long Term Diversified Fund	(10,305)	10,305	(257)	257	10,305	(10,305)
QIC Registry Trust	(2,114)	2,114	(53)	53	2,114	(2,114)
Impact on Profit / Equity	(12,419)	12,419	(310)	310	12,419	(12,419)

2023	Price Risk		Interest Rate Risk		Foreign Exchange Risk	
Investments	-10%	+10%	-0.25%	+0.25%	-10%	+10%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
QIC Long Term Diversified Fund	(10,754)	10,754	(269)	269	10,754	(10,754)
QIC Registry Trust	(1,554)	1,554	(39)	39	1,554	(1,554)
Impact on Profit / Equity	(12,308)	12,308	(308)	308	12,308	(12,308)

The 2023 table above has been restated for comparative purposes.

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 2024.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

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:

	2024 \$'000	2023 \$'000
Not later than one year	4,987	3,452
Later than one year and not later than five years	627	262
Total	5,614	3,714

(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:

	2024 \$'000	2023 \$'000
Not later than one year	23,589	19,022
Later than one year and not later than five years	32,943	30,972
Total	56,532	49,994

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

16. EVENTS OCCURRING AFTER THE REPORTING DATE

MAIC has not had any material events occurring after 30 June 2024.

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 2024

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 variance in other revenue relates to return of unspent grant funds.
<i>Net fair value gains/(losses) on financial assets at fair value through profit or loss</i>	The increase in net fair value gains on financial assets at fair value through profit or 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 road trauma mitigation funding.
<i>Employee expenses</i>	The variance in employee expenses is primarily due to delays in filling vacancies during 2023-24.

Statement of Financial Position

<i>Cash and cash equivalents</i>	The cash balance is higher than projected as detailed in the Statement of Cash Flows.
<i>Prepayments</i>	The increase relates to timing of annual payments.
<i>Financial assets at fair value through profit or loss</i>	The variance in financial assets at fair value through profit or loss reflects a higher audited opening balance than projected in the budget.
<i>Accumulated surplus</i>	The increase in accumulated surplus reflects a higher audited opening balance than projected in the budget and a higher than anticipated operating result in 2023-24.

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 road trauma mitigation funding.
<i>Employee expenses</i>	The variance in employee expenses is primarily due to delays in filling vacancies during 2023-24.
<i>Supplies and Services</i>	The variance relates to timing of annual 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

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 2023-24 and 2022-23. Key Management Personnel also provided services to the Nominal Defendant and the NISQ 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 ⁽¹⁾	Responsible for driving innovation and delivering business-led solutions for MAIC.
General Manager Business Advisory and Services ⁽¹⁾	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.

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

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*. The remuneration and other terms of employment (including motor vehicle entitlements) for the KMP are specified in employment contracts.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

19. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES – continued

Remuneration expenses for KMP comprise the following components:

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

Remuneration expense

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

1 July 2023 to 30 June 2024

Position	Short term employee expenses		Long term employee expenses \$'000	Post employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
	Monetary Expenses \$'000	Non-Monetary \$'000				
Insurance Commissioner	309	6	8	45	-	368
General Manager MAIC	203	5	5	31	-	244
General Manager Innovation and Delivery ⁽¹⁾	-	-	-	-	-	-
General Manager Business Advisory and Services ⁽¹⁾	-	-	-	-	-	-

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

Notes to and forming part of the financial statements

for the year ended 30 June 2024

19. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES – continued

1 July 2022 to 30 June 2023

Position	Short term employee expenses		Long term employee expenses \$'000	Post-employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary \$'000				
Insurance Commissioner	305	6	8	35	-	354
General Manager MAIC	199	5	5	22	-	231
General Manager Innovation and Delivery (from 5 June 2023) ⁽¹⁾	-	-	-	-	-	-
General Manager Business Advisory and Services (from 5 June 2023) ⁽¹⁾	-	-	-	-	-	-
Director Finance, Risk and Assurance (to 4 June 2023) ⁽²⁾	146	5	4	18	-	173
Director People, Policy and Communication (from 1 July 2022 to 29 January 2023) ⁽²⁾	81	3	2	10	-	96
Director People, Policy and Communication (Acting from 8 February 2023 to 4 June 2023) ^{(1) (2)}	-	-	-	-	-	-
Director Analytics (from 1 July to 15 February 2023) ⁽²⁾	106	3	3	12	-	124
Director Analytics (Acting, from 6 February to 4 June 2023) ⁽²⁾	50	2	1	5	-	58

(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 personnels up until the appointment of the General Manager Business Advisory and Services.

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 2024

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**).

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

MAIC provided grant funding to Queensland Health for Retrieval Services Queensland to enhance research capacity (**Note 6**).

MAIC made payments to DTMR relating to RACQ Withdrawal related expenses (**Note 8**).

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 (**Note 8**).

MAIC incurred management fees from QIC for the management of the QIC unlisted unit trusts (**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 of 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

21. AGENCY TRANSACTIONS – continued

Type of Levy	Levies collected from DTMR		Contributions paid to QH, QFES, QPS & QGAir		Outstanding levies for remittance to QH, QFES, QPS & QGAir	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Levies collected but not remitted in the previous year	5,239	7,339	-	-	-	-
Hospital levy	54,439	48,078	(54,106)	(49,951)	4,671	4,338
Emergency Services levy - QFES	3,294	2,481	(3,231)	(2,508)	288	225
Emergency Services levy - QPS	8,922	7,454	(8,846)	(7,578)	752	676
Emergency Services levy - QPS - QGAir	-	17	-	(93)	-	-
Total	71,894	65,369	(66,183)	(60,130)	5,711	5,239

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**).

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 2023-24.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2023-24.

Accounting standards applied for the first time

No new accounting standards or interpretations that apply to MAIC for the first time in 2023-24 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's Queensland 2035 Clean Economy Pathway, and other Queensland Government climate-related policies or directives.

Management certificate for the year ended 30 June 2024

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 2024 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.



R MCLEAN

B.Com, LLB (Hons), CA

Director Finance, Risk and Assurance

29 August 2024



N SINGLETON

B.Bus (Insurance), MBA

Insurance Commissioner

29 August 2024

INDEPENDENT AUDITOR'S REPORT

To the Insurance Commissioner of Motor Accident Insurance Commission

Report on the audit of the financial report

Opinion

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

The financial report comprises the statement of financial position as at 30 June 2024, 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.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

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 (including independence standards)* (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.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- 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 Luwinga
as delegate of the Auditor-General

29 August 2024
Queensland Audit Office
Brisbane

Nominal Defendant

Summary of financial performance 2023–24

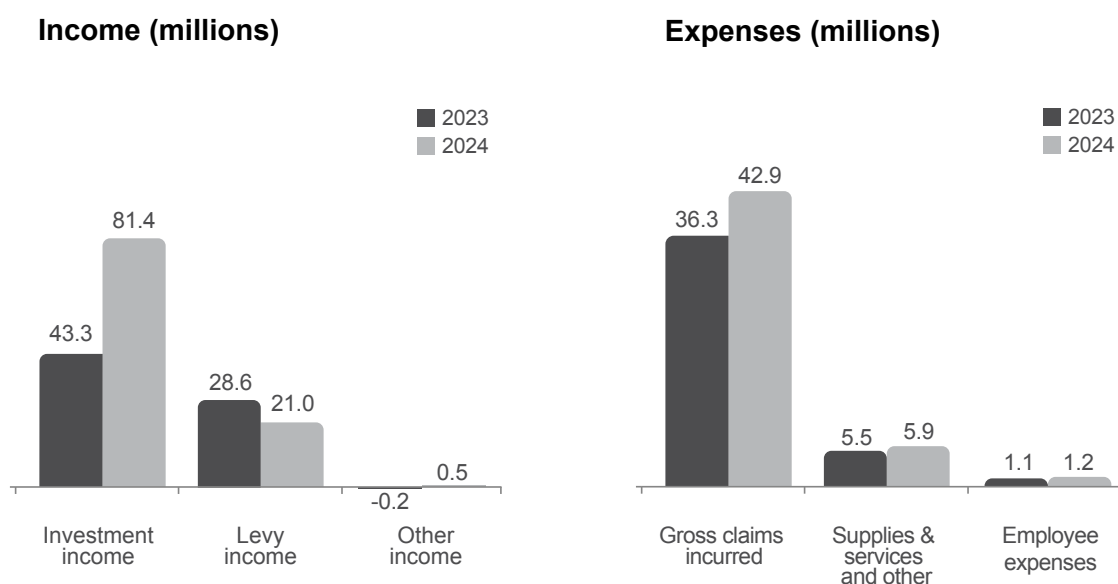
For the year ended 30 June 2024, the Nominal Defendant had a total income of \$102.9 million and expenses of \$50.1 million resulting in an operating surplus of \$52.8 million, compared to the prior year's operating surplus of \$28.8 million.

The \$24.0 million increase in the operating result was driven by positive investment returns on financial assets. Total investment gains on financial assets were \$81.4 million compared to prior year's gains of \$43.3 million, reflecting an improvement in equity markets in 2023-2024.

The Nominal Defendant levy reduced from \$5.00 to \$4.00 per Class 1 vehicle in 2023-2024 and generated income of \$21.0 million, representing a \$7.6 million decrease from the prior year. Actuarial assessments at 30 June 2024 resulted in an increase of \$0.7 million in reinsurance and other recoveries from prior year.

Total expenses increased from \$42.9 million in 2022-2023, to \$50.1 million in 2023-2024. This is primarily a result of higher claim costs. The Nominal Defendant's gross outstanding claims liabilities were actuarially assessed at 30 June 2024 to be \$142.1 million, an increase of \$7.7 million from the prior year. Nominal Defendant claim payments were \$35.2 million (prior year \$26.9 million) and claim recoveries were \$0.4 million (prior year \$0.2 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.



Nominal Defendant financial statements 2023–24

Statement of comprehensive income for the year ended 30 June 2024

	Note	2024 Actual \$'000	2024 Original Budget \$'000	Budget Variance* \$'000	2023 Actual \$'000
Income					
Levy	3	20,987	19,000	1,987	28,554
Reinsurance and other recoveries	4	484	-	484	(190)
Total revenue		21,471	19,000	2,471	28,364
Net fair value gains on financial assets at fair value through profit or loss	10	81,395	43,400	37,995	43,318
Total income		102,866	62,400	40,466	71,682
Expenses					
Gross claims incurred	4	42,929	38,552	4,377	36,330
Employee expenses	5	1,241	1,291	(50)	1,099
Supplies and services	6	5,856	6,118	(262)	5,431
Other expenses	7	57	46	11	61
Total expenses		50,083	46,007	4,076	42,921
Operating result		52,783	16,393	36,390	28,761
Total comprehensive income		52,783	16,393	36,390	28,761

* An explanation of major variances is included in Note 15.

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2024

	Note	2024 Actual \$'000	2024 Original Budget \$'000	Budget Variance* \$'000	2023 Actual \$'000
Current assets					
Cash and cash equivalents		9,283	10,000	(717)	6,405
Receivables	8	98	92	6	79
Financial assets at fair value through profit or loss	10 & 11	164,334	156,406	7,928	163,315
Claim recoveries	9	594	641	(47)	574
Prepayments		174	-	174	-
Total current assets		174,483	167,139	7,344	170,373
Non-current assets					
Financial assets at fair value through profit or loss	10 & 11	463,570	416,233	47,337	408,923
Claim recoveries	9	1,317	1,591	(274)	1,234
Total non-current assets		464,887	417,824	47,063	410,157
Total assets		639,370	584,963	54,407	580,530
Current liabilities					
Payables		368	428	(60)	323
Accrued employee benefits		35	55	(20)	28
Outstanding claims liability	9	44,164	38,505	5,659	42,683
Unearned levies	3	7,099	8,841	(1,742)	8,775
Total current liabilities		51,666	47,829	3,837	51,809
Non-current liabilities					
Outstanding claims liability	9	97,903	90,944	6,959	91,703
Total non-current liabilities		97,903	90,944	6,959	91,703
Total liabilities		149,569	138,773	10,796	143,512
Net assets		489,801	446,190	43,611	437,018
Equity					
Accumulated surplus		489,801	446,190	43,611	437,018
Total equity		489,801	446,190	43,611	437,018

* An explanation of major variances is included in Note 15.

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2024

	Accumulated surplus	Total equity
	\$'000	\$'000
Balance as at 1 July 2022	408,257	408,257
Operating result	28,761	28,761
Balance as at 30 June 2023	437,018	437,018
Balance as at 1 July 2023	437,018	437,018
Operating result	52,783	52,783
Balance as at 30 June 2024	489,801	489,801

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2024

		2024	2024		2023
	Note	Actual	Original Budget	Budget Variance*	Actual
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Levy		19,310	19,000	310	23,324
Claim recoveries		381	-	381	234
GST input tax credits from Australian Taxation Office (ATO)		616	-	616	552
GST collected from customers		2	-	2	2
<i>Outflows:</i>					
Gross claims incurred		(35,248)	(35,308)	60	(26,913)
Employee expenses		(1,237)	(1,282)	45	(1,108)
Supplies and services		(2,131)	(2,903)	772	(1,822)
GST paid to suppliers		(632)	(27)	(605)	(548)
GST remitted to ATO		(2)	-	(2)	(3)
Other expenses		(61)	(46)	(15)	(37)
Net cash (used in) operating activities	CF-1	(19,002)	(20,566)	1,564	(6,319)
Cash flows from investing activities					
<i>Inflow:</i>					
Proceeds from sale of financial assets at fair value through profit or loss		17,000	20,566	(3,566)	-
Distributions received		4,880	-	4,880	4,620
Net cash provided by investing activities		21,880	20,566	1,314	4,620
Net increase / (decrease) in cash and cash equivalents		2,878	-	2,878	(1,699)
Cash and cash equivalents at the beginning of the financial year		6,405	10,000	(3,595)	8,104
Cash and cash equivalents at the end of the financial year		9,283	10,000	(717)	6,405

* An explanation of major variances is included in Note 15.

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 2024

CF-1 Reconciliation of operating result to net cash used in operating activities

	2024 \$'000	2023 \$'000
Operating result	52,783	28,761
<i>Non-cash items included in operating result:</i>		
Net fair value (gains)/losses on financial assets at fair value through profit or loss less management fees	(77,787)	(39,915)
<i>Change in assets and liabilities:</i>		
(Increase) / decrease in financial assets at fair value through profit or loss	241	235
(Increase) / decrease in prepayments	(174)	7
(Increase) / decrease in receivables and claim recoveries	(122)	437
Increase / (decrease) in current payables	46	(5)
Increase / (decrease) in unearned levies	(1,677)	(5,230)
Increase / (decrease) in outstanding claims liability	7,681	9,417
Increase / (decrease) in accrued employee benefits	7	(26)
Net cash used in operating activities	(19,002)	(6,319)

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 2024

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 2023.

(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 2022-23 financial statements except where restatement was necessary to be consistent with disclosures in the current reporting period.

(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 or 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 2024

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 or loss (**Note 10**).

(g) Authorisation of financial statements for issue

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

(h) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or 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 10** for more details on financial assets at fair value through profit or 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 2024

4. NET CLAIMS INCURRED

	2024 \$'000	2023 \$'000
Gross claims incurred	42,929	36,330
Reinsurance and other recoveries	(484)	190
Total net claims incurred	42,445	36,520

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

	2024			2023		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
Gross claims incurred and related expenses						
Undiscounted	46,667	(2,954)	43,713	43,387	(2,719)	40,668
Discount	(5,241)	4,457	(784)	(4,856)	518	(4,338)
Provisions made (Note 9)	41,426	1,503	42,929	38,531	(2,201)	36,330
Reinsurance and other recoveries						
Undiscounted	625	(130)	495	582	(773)	(191)
Discount	(71)	60	(11)	(65)	66	1
	554	(70)	484	517	(707)	(190)
Net claims incurred	40,872	1,573	42,445	38,014	(1,494)	36,520
Total gross claims incurred	41,426	1,503	42,929	38,531	(2,201)	36,330
Total recoveries	554	(70)	484	517	(707)	(190)
Total net claims incurred	40,872	1,573	42,445	38,014	(1,494)	36,520

Notes to and forming part of the financial statements

for the year ended 30 June 2024

4. NET CLAIMS INCURRED – continued

(b) Claims reconciliation

	2024	2023
	\$'000	\$'000
<i>Gross claims incurred and related expenses</i>		
Claims and associated settlement costs	35,248	26,913
Movement in outstanding claims liability	7,681	9,417
Total gross claims incurred	42,929	36,330
<i>Reinsurance and other recoveries</i>		
Reinsurance and other recoveries	381	234
Movement in other recoveries receivable	103	(424)
Total recoveries	484	(190)
Net claims incurred	42,445	36,520

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 2024

5. EMPLOYEE EXPENSES

	2024 \$'000	2023 \$'000
Employee benefits and employee related expenses		
Salaries and wages	963	863
Employer superannuation contributions	137	118
Leave levies	128	112
Employee related expenses	13	6
Total	1,241	1,099

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 2024 and also 8 for 30 June 2023 (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 16**.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

6. SUPPLIES AND SERVICES

	2024	2023
	\$'000	\$'000
QIC management fee	3,608	3,403
MAIC and NIISQ corporate services fee*	869	767
Queensland Treasury corporate services fee	401	431
Consultants and contractors	373	33
IT related expense	277	476
Rent	198	190
Queensland Treasury actuarial fees	128	125
Supplies and consumables	2	6
Total	5,856	5,431

* Corporate support services provided by the Motor Accident Insurance Commission (MAIC) and National Injury Insurance Agency, Queensland (NIISQ) to the Nominal Defendant under the tripartite memorandum of understanding (Note 17).

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

	2024	2023
	\$'000	\$'000
Queensland Audit Office - external audit fees	55	59
Insurance premiums - Queensland Government Insurance Fund	2	2
Total	57	61

Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$55,000 (2023: \$58,728).

Notes to and forming part of the financial statements

for the year ended 30 June 2024

8. RECEIVABLES

	2024 \$'000	2023 \$'000
GST receivable	74	59
Leave reimbursements	24	20
Total	98	79

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 11** 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 2024

9. NET OUTSTANDING CLAIMS

	2024	2023
	\$'000	\$'000
Gross outstanding claims	146,269	138,563
Claims settlement costs	14,411	13,652
	<u>160,680</u>	<u>152,215</u>
Discount to present value	(18,613)	(17,829)
Gross outstanding claims liability	<u>142,067</u>	<u>134,386</u>
<i>Represented by</i>		
Current	44,164	42,683
Non-current	97,903	91,703
Gross outstanding claims liability	<u>142,067</u>	<u>134,386</u>
Reinsurance and other recoveries	2,161	2,048
Discount to present value	(250)	(240)
Reinsurance and other recoveries	<u>1,911</u>	<u>1,808</u>
<i>Represented by</i>		
Current	594	574
Non-current	1,317	1,234
Reinsurance and other recoveries	<u>1,911</u>	<u>1,808</u>
Net outstanding claims	<u>140,156</u>	<u>132,578</u>
Central estimate	140,156	132,578
Risk margin	-	-
Net outstanding claims	<u>140,156</u>	<u>132,578</u>

Notes to and forming part of the financial statements

for the year ended 30 June 2024

9. NET OUTSTANDING CLAIMS – continued

	2024	2023
	\$'000	\$'000
Balance at 1 July	132,578	122,737
Prior periods		
Claim payments	(34,669)	(26,529)
Claims handling expenses	(3,524)	(3,170)
Discount unwind	5,181	3,020
Risk margin release	-	-
Effect of changes in assumptions and experience	(83)	(1,344)
Current period		
Provision for current period	40,673	37,864
Net outstanding claims	140,156	132,578
Reinsurance and other recoveries	(1,911)	(1,808)
Gross outstanding claims	142,067	134,386

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.

	2024	2023
	\$'000	\$'000
Inflation rate	4.49%	4.71%
Discount rate	4.29%	4.15%
Claims handling expenses	10.00%	10.00%
Risk margin	0.00%	0.00%
Weighted average term to settlement	3.2 years	3.3 years

Notes to and forming part of the financial statements

for the year ended 30 June 2024

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
		2024 \$'000	2024 \$'000	2023 \$'000	2023 \$'000
Inflation rate	+1%	(4,222)	(4,222)	(4,163)	(4,163)
	-1%	4,026	4,026	3,951	3,951
Discount rate	+1%	3,515	3,515	3,484	3,484
	-1%	(3,759)	(3,759)	(3,745)	(3,745)
Claims handling expenses	+1%	(1,274)	(1,274)	(1,205)	(1,205)
	-1%	1,274	1,274	1,205	1,205
Weighted average term to settlement	+0.5 years	(609)	(609)	(827)	(827)
	-0.5 years	607	607	821	821

(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 2023-24 and 2022-23 financial years. This was based on considerations of the cost of reinsurance and the Nominal Defendant's exposure to large loss claims.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

10. 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	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss	544,416	510,873	83,488	61,365	627,904	572,238
Total	544,416	510,873	83,488	61,365	627,904	572,238

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 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 2024

10. 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 11(c)**.

Reconciliation of Level 3 fair value movements

Financial assets at fair value through profit or loss - QIC Registry Trust	2024	2023
	\$'000	\$'000
Carrying amount at 1 July	61,365	59,017
Acquisitions	-	-
Distributions	(4,880)	(4,620)
Gains recognised in operating result	27,003	6,968
Carrying amount at 30 June	83,488	61,365

11. FINANCIAL RISK DISCLOSURES

(a) Categorisation of financial instruments

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

Category	Note	2024	2023
		\$'000	\$'000
Financial assets			
Cash and cash equivalents		9,283	6,405
Receivables (amortised cost)	8	98	79
Financial assets at fair value through profit or loss	10	627,904	572,238
Total		637,285	578,722
Financial liabilities			
Current payables (amortised cost)		368	323
Total		368	323

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 2024

11. 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 10**, 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 **Note 11(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 2024

11. 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 – namely, unit prices, interest rates and foreign exchange rates. Market risk comprises of foreign 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 market prices of the funds will change during the next reporting period.

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 or loss if the market prices 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. The foreign exchange risk represents the risk that the exposure value (in AUD) of a financial instrument will fluctuate because of changes in foreign exchange rates. For example, if the underlying foreign currencies strengthen, the AUD exposure value will weaken, and vice-versa.

2024	Price Risk		Interest Rate Risk		Foreign Exchange Risk	
	-10%	+10%	-0.25%	+0.25%	-10%	+10%
Investments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
QIC Short Term Income Fund	(16,433)	16,433	(411)	411	16,433	(16,433)
QIC Long Term Diversified Fund	(38,008)	38,008	(950)	950	38,008	(38,008)
QIC Registry Trust	(8,349)	8,349	(209)	209	8,349	(8,349)
Impact on Profit / Equity	(62,790)	62,790	(1,570)	1,570	62,790	(62,790)

Notes to and forming part of the financial statements

for the year ended 30 June 2024

11. FINANCIAL RISK DISCLOSURES - continued

2023	Price Risk		Interest Rate Risk		Foreign Exchange Risk	
	-10%	+10%	-0.25%	+0.25%	-10%	+10%
Investments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
QIC Short Term Income Fund	(16,332)	16,332	(408)	408	16,332	(16,332)
QIC Long Term Diversified Fund	(34,756)	34,756	(869)	869	34,756	(34,756)
QIC Registry Trust	(6,137)	6,137	(153)	153	6,137	(6,137)
Impact on Profit / Equity	(57,225)	57,225	(1,430)	1,430	57,225	(57,225)

The 2023 table above has been restated for comparative purposes.

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

12. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

The Nominal Defendant did not have any contingent assets or liabilities at 30 June 2024.

(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:

	2024	2023
	\$'000	\$'000
No later than one year	1,909	1,606
1-5 years	18	200
Total	1,927	1,806

13. EVENTS OCCURRING AFTER THE REPORTING DATE

The Nominal Defendant has not had any material events occur after 30 June 2024.

14. FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

AASB 17 Insurance Contracts

AASB 17 *Insurance Contracts* is mandatorily applicable to the Nominal Defendant, as a public sector entity, effective from reporting period after 1 July 2026. When applied, it replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*. The Australian Accounting Standards Board (AASB) has issued 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

14 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE – continued

The Nominal Defendant acts as Queensland CTP insurer for claims arising from unidentified and uninsured vehicles and to provide continuity of protection if a licensed insurer becomes insolvent. The Nominal Defendant levy (**Note 3**) and claim obligations within the scope of AASB 17 are an “insurance like arrangement” as it meets the two of the pre-requisites’ indicators of an insurance contract i.e. the arrangement is enforceable the Act and the arrangement has an identifiable coverage period (i.e. being the period during which claims become known or claims-made coverage).

The requirements of AASB 17 and AASB 2022-9 are complex, and the actual impact is subject to the finalisation of key assumptions in relation to each of the above components and may change. The implementation of AASB 17 and AASB 2022-9 is still ongoing, and the full impacts are still being determined. The Nominal Defendant will continue to monitor updates from the AASB (and any subsequent modification that apply to public sector entities) 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.

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

15. 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 a higher rate.
<i>Reinsurance and other recoveries</i>	The increase 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 or loss</i>	The increase in net fair value gains on financial assets at fair value through profit or loss is primarily due to higher than expected earnings on investments as a result of improvements in the equity market.
<i>Gross claims incurred</i>	The variance in gross claims incurred reflects the higher actuarial assessment of claims provision as at 30 June.
<i>Employee expenses</i>	The variance in employee expenses is primarily due to delays in filling vacancies during 2023-24.
<i>Supplies and services</i>	The variance in supplies and services is primarily due to lower than anticipated QIC management fees and computer related expenditure.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

15. BUDGETARY REPORTING DISCLOSURES – continued

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 or loss (current and non-current)</i>	The variances reflects higher audited opening balances than projected in the budget combined with higher than expected earnings on investments.
<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 the reduction in the Nominal Defendant levy.
<i>Outstanding claims liability (current and non-current)</i>	The movement in the current and non-current outstanding claims liability reflects actuarial assessment as at 30 June.
<i>Accumulated surplus</i>	The decrease in accumulated surplus reflects a lower audited opening balance partially offset by a higher than anticipated operating result in 2023-24.

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 2023-24.
<i>Supplies and services</i>	The variance in supplies and services is primarily due lower than anticipated computer related costs and corporate support fees, and the timing of 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 cash distributions and drawdowns to meet cash flow requirements.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

16. 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 2023-24 and 2022-23. KMP also provided services to the MAIC and the NIISQ as part of their overall role.

Position	Responsibilities
Insurance Commissioner ⁽¹⁾	Leads the efficient, effective and economic administration of the Nominal Defendant.
General Manager MAIC ⁽¹⁾	Leads and manages the strategies, policies and performance with respect to the Nominal Defendant claims unit.
General Manager Innovation and Delivery ⁽²⁾	Responsible for driving innovation and delivering business-led solutions for the Nominal Defendant.
General Manager Business Advisory and Services ⁽²⁾ (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.

(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.

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.

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*. The remuneration and other terms of employment (including motor vehicle entitlements) for the KMP are specified in employment contracts.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

16. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES - continued

Remuneration packages for KMP comprise the following components:

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

Remuneration expense

The Nominal Defendant did not have any KMP remuneration for 2023-24 and 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 NIISQ, 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 NIISQ Annual reports under the section relating to KMP and Remuneration.

Performance payments

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

17. RELATED PARTY TRANSACTIONS

Transactions with people/entities related to KMP

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

Transactions with other Queensland Government-controlled entities

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

Claim payments of \$2.1 million were made by the Nominal Defendant to WorkCover in 2023-24, which are included in the claims and associated settlement costs disclosed in **Note 4**.

The Nominal Defendant has a corporate support services tripartite memorandum of understanding (MOU) in place with MAIC and the NIISQ 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**.

Notes to and forming part of the financial statements

for the year ended 30 June 2024

18. 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**).

19. 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 2023-24.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2023-24.

Accounting standards applied for the first time

No new accounting standards or interpretations that apply to the Nominal Defendant for the first time in 2023-24 had any material impact on the financial statements.

20. 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's Queensland 2035 Clean Economy Pathway, and other Queensland Government climate-related policies or directives.

Management certificate for the year ended 30 June 2024

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 2024 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.



R MCLEAN

B.Com, LLB(Hons), CA

Director Finance, Risk and Assurance

29 August 2024



N SINGLETON

B.Bus (Insurance), MBA

Insurance Commissioner

29 August 2024

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 (the entity).

The financial report comprises the statement of financial position as at 30 June 2024, 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.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

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 (including independence standards)* (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.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- 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 Luwinga
as delegate of the Auditor-General

29 August 2024
Queensland Audit Office
Brisbane

Appendices

Appendix 1: Actuarial certificate, Nominal Defendant Fund

QUEENSLAND TREASURY

Actuarial Certificate Queensland Nominal Defendant Fund Outstanding Claims Liability as at 30 June 2024

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 2024 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 2024 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 2024 is \$140.2 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
26 July 2024



Arie van den Berg

Appendix 2: Licensed insurers

Currently licensed CTP insurers	Previously licensed CTP insurers
<p>AAI Limited (trading as Suncorp Insurance) GPO Box 1453 Brisbane QLD 4001 Ph 13 11 60 (CTP) ABN 48 005 297 807</p> <p>Allianz Australia Insurance Limited GPO Box 2226 Brisbane QLD 4001 Ph 131 000 ABN 15 000 122 850</p> <p>QBE Insurance (Australia) Limited GPO Box 1072 Brisbane QLD 4001 Ph (07) 3031 8418 (CTP) ABN 78 003 191 035</p>	<p>RACQ Insurance Limited ABN 50 009 704 152 <i>Licence withdrawn 1 October 2023.</i></p> <p>Insurance Australia Limited (trading as NRMA Insurance) ABN 11 000 016 722 <i>Licence withdrawn 1 January 2014.</i></p> <p>Suncorp Metway Insurance Limited ABN 83 075 695 966 <i>Licence withdrawn 1 July 2013.</i></p> <p>Australian Associated Motor Insurers Limited ABN 92 004 791 744 <i>Licence withdrawn 1 July 2013.</i></p> <p>FAI Allianz Limited (trading as FAI Insurance) ABN 80 094 802 525 <i>Licence withdrawn 1 July 2002.</i></p> <p>FAI General Insurance Company Limited ABN 15 000 327 855 <i>Licence suspended on 1 January 2001. Insurer became insolvent on 15 March 2001.</i></p> <p>Fortis Insurance Limited (formerly VACC Insurance Co. Limited) ACN 004 167 953 <i>Licence withdrawn 25 September 2017.</i></p> <p>Zurich Australian Insurance Limited ACN 000 296 640 <i>Licence withdrawn 15 November 1997.</i></p> <p>Commercial Union Assurance of Australia Ltd ACN 004 478 371 <i>Licence withdrawn 1 March 1997.</i></p> <p>CIC Insurance Limited ACN 004 078 880 <i>Licence withdrawn 22 January 1996. Insurer became insolvent on 15 March 2001.</i></p> <p>GIO General Limited ACN 002 861 583 <i>Licence withdrawn 30 June 1996.</i></p> <p>Mercantile Mutual Insurance (Australia) Ltd ACN 000 456 799 <i>Licence withdrawn 1 November 1996.</i></p>

Appendix 3: Performance statement (SDS)

Service standards	2023–24 Target/Est.	2023–24 Actual	2024–25 Target/Est.
Effectiveness measures			
Highest annual CTP insurance premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings ¹	<45%	20%	<45%
Percentage of Nominal Defendant managed claims finalised compared to the number outstanding at the start of the financial year ²	60%	56%	50%
Percentage of total premiums collected, paid to claimants ³	>60%	73%	>60%
Efficiency measure			
Motor Accident Insurance Commission enquiry line cost per hour	\$115	\$107	\$117

Note: 1. Measured at 30 June 2024.

2. The variance between the '2023–24 Target/Estimate' and the '2023–24 Estimated Actual' is as a result of the proportion of claims finalised by the Nominal Defendant varying from year to year, due to factors outside of their control including the severity of claimants' injuries and complexity of their claims. The 56% is within acceptable tolerance levels.

3. A five-year average as at December 2023.

Appendix 4: Grants and sponsorships

Table 1: Breakdown of grants funded in 2023–24 and 2022–23

Organisation		2023/24 \$'000	2022/23 \$'000
Road Trauma Mitigation Fund	Reduce claims frequency and support <i>Queensland Road Safety Action Plan 2022–24</i>	3,997	4,120
Police Citizens Youth Welfare Association (PCYC Queensland)	Braking the Cycle	3,365	3,233
Metro North Hospital and Health Service	Jamieson Trauma Institute	2,021	2,023
Griffith University	The Hopkins Centre	1,472	1,772
University of Queensland	RECOVER Injury Research Centre (formerly CONROD)	1,431	1,435
Queensland University of Technology	Centre for Accident Research and Road Safety Queensland (CARRS-Q)	1,250	1,250
University of Sunshine Coast	Drug Driving Research Unit	1,018	1,091
University of Sunshine Coast	Road Safety Research Collaboration	958	964
University of Queensland	PREDICT-TBI	0	757
Bionics Queensland	Bionics Challenge 2024	0	445
Griffith University	BioSpine	1,223	423
Queensland University of Technology	Data Linkage Fellowship	212	202
Griffith University	First Peoples and CTP Initiative	107	136
Queensland Trucking Association	First on Scene – Remote Incident Training	25	122
Emergency Medicine Foundation	Research for trauma and emergency care in regional, rural and remote Queensland	110	120
Department of Justice	Licensing Muster	120	120
Transport for New South Wales	Motorcycle Protective Clothing testing initiative	112	90
Children's Health Queensland Hospital and Health Service and University of Queensland	Partnership funding to establish a Queensland Chair in Paediatric Rehabilitation (2017–2022)	361	80
Griffith University	First on Scene – Remote Incident Training	0	69
Department of Transport and Main Roads	Transport Academic Partnership 2020–2025 formerly Academic Strategic Transport Alliance (ASTRA)	66	64

Table 1: Breakdown of grants funded in 2023–24 and 2022–23 (cont)

Organisation		2023/24 \$'000	2022/23 \$'000
Spinal Life Australia	Back2Work – vocational rehabilitation project	512	55
Police Citizens Youth Welfare Association (PCYC Queensland)	Pilot of culturally-appropriate Braking the Cycle program in the Napranum community	0	6
Sponsorships	Provide sponsorships to one-off activities aimed at accident prevention or enhancing injury management/ rehabilitation	0	5
Griffith University	Spinal Cord Therapy research	1851	0
University of Queensland	Professorial Fellowship in Traumatic Brain Injury Research at the Queensland Brain Institute (2021–2024)	368	0
Griffith University	Procedural Justice policing pilot	159	0
Police Citizens Youth Welfare Association (PCYC Queensland)	Support for Changing Gears program in Napranum, Yarrabah and Palm Island	430	0
Queensland University of Technology	Braking the Cycle evaluation	40	0
Queensland Health	Pilot positions at Retrieval Services Queensland	350	0
Bionics Queensland	Bionics Gamechangers 2024 Student Challenge	20	0
Logan City Council	Pilot analytics technology to enhance road safety	154	0
Department of Transport and Main Roads	Road Safety Data Bureau	811	0
Centre for Accident Research and Road Safety (CARRS-Q)	Recidivist drivers research study	0	0
Total Funding		22,553	18,582

Table 2: Breakdown of grant refunds in 2023–24 and 2022–23

		2023/24 \$'000	2022/23 \$'000
Road Trauma Mitigation Fund	Reduce claims frequency and support <i>Queensland Road Safety Action Plan 2022–24</i>	(187)	(638)
University of Queensland	RTMS Post-Concussion Study	0	(154)
Metro North Hospital and Health Service	Jamieson Trauma Institute	(143)	(115)
Spinal Life Australia	Back2Work Program	(56)	0
Department of Transport and Main Roads	Road Safety Data Bureau	(184)	0
PCYC	Napranum pilot	(8)	0
University of Queensland	Sleep studies in children with traumatic brain injuries	0	(52)
Griffith University	Healthy Minds Project	0	(48)
Sunshine Coast Council	Rear End Crashes pilot	0	(18)
Queensland University of Technology	Road Trauma Modelling	(10)	(10)
Griffith University	The Hopkins Centre	0	(6)
University of Queensland	Queensland Chair in Paediatric Rehabilitation	0	(2)
Total Funding Returned		(434)	(1,043)

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/>
- <https://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.

Appendix 6: Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Letter of compliance – Page 4
Accessibility	Table of contents	ARRs – section 9.1	Table of contents – Page 3
	Glossary		Appendix 5: Glossary – Page 85
	Public availability	ARRs – section 9.2	Inside front cover – Page 2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Inside front cover – Page 2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside front cover – Page 2
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Inside front cover – Page 2
General information	Introductory Information	ARRs – section 10	About us – Page 5 Our purpose and vision – Page 6
Non-financial performance	Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	About us – Page 6
	Agency objectives and performance indicators	ARRs – section 11.2	Report card – Page 8
	Agency service areas and service standards	ARRs – section 11.3	Report card - Page 8
Financial performance	Summary of financial performance	ARRs – section 12.1	Financial: Summary of financial performance – Pages 23 and 49
Governance — management and structure	Organisational structure	ARRs – section 13.1	Organisational structure – Page 18
	Executive management	ARRs – section 13.2	Our leadership team – Page 17
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Not applicable
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Governance – Page 15
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Human Rights – Page 16
	Queensland public service values	ARRs – section 13.6	Governance – Page 15

Summary of requirement		Basis for requirement	Annual report reference
Governance — risk management and accountability	Risk management	ARRs – section 14.1	Risk management – Page 19
	Audit committee	ARRs – section 14.2	Risk management – Page 19
	Internal audit	ARRs – section 14.3	Risk management – Page 19
	External scrutiny	ARRs – section 14.4	Information systems and recordkeeping – Page 20
	Information systems and recordkeeping	ARRs – section 14.5	Information systems and recordkeeping – Page 20
	Information Security attestation	ARRs – section 14.6	Information systems and recordkeeping – Page 20
Governance — human resources	Strategic workforce planning and performance	ARRs – section 15.1	Our people – Page 15
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Governance – Page 15
Open Data	Statement advising publication of information	ARRs – section 16	Statistics – Page 21
	Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Certification of financial statements – Page 4 Management certificate – Pages 46 and 75
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Independent Auditor's Report – Pages 47 and 76

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

