

Nominal Defendant summary of financial performance 2025–26

For 2025–26, the Nominal Defendant reported income of \$103.6 million, expenses of \$82.1 million and an operating surplus of \$21.5 million, down from \$43.4 million in 2024–25. The decrease mainly reflected higher net claims, lower levy income and reduced investment returns.

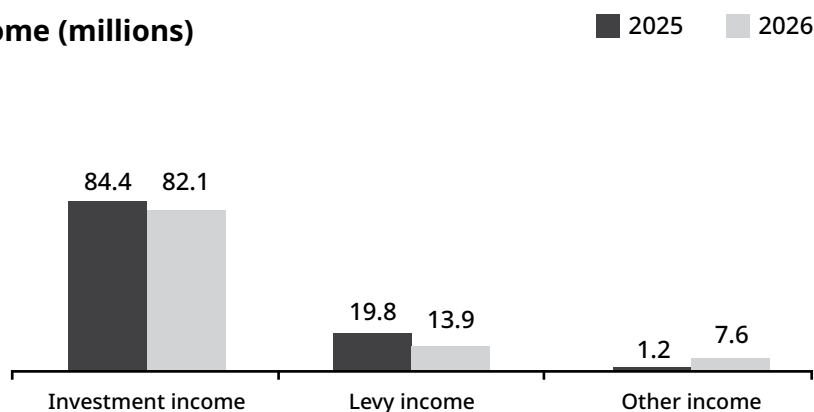
Gross claims rose to \$72.1 million, mainly due to higher actuarially assessed claim provisions, partly offset by \$7.6 million in recoveries.

The \$2.00 Class 1 levy (2025 \$4.00 Class 1 levy) generated \$13.9 million, \$5.9 million lower than the prior year.

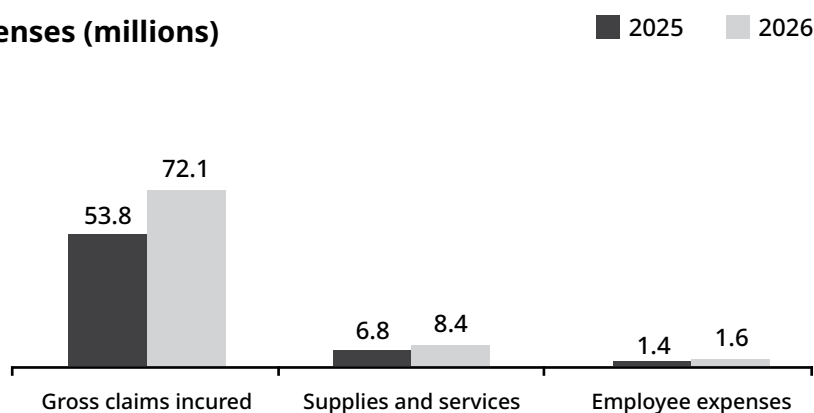
Investment gains were \$82.1 million, down from \$84.4 million, reflecting more modest equity market returns.

The Nominal Defendant remains fully funded to meet outstanding claims liability.

Income (millions)



Expenses (millions)



Nominal Defendant financial statements 2025–26

Nominal Defendant Statement of Comprehensive Income for the year ended 30 June 2026

	Note	2026	2026		2025
		Actual	Original Budget	Budget Variance*	Actual
		\$'000	\$'000	\$'000	\$'000
Income					
Levy	3	13,864	10,138	3,726	19,801
Reinsurance and other recoveries	4	7,597	204	7,393	1,219
Total revenue		21,461	10,342	11,119	21,020
Net fair value gains on financial assets at fair value through profit or loss	8	82,104	49,294	32,810	84,392
Total income		103,565	59,636	43,929	105,412
Expenses					
Gross claims incurred	4	72,135	47,537	24,598	53,794
Employee expenses	5	1,617	1,649	(32)	1,433
Supplies and services	6	8,355	9,832	(1,477)	6,802
Total expenses		82,107	59,018	23,089	62,029
Operating result		21,458	618	20,840	43,383
Total comprehensive income		21,458	618	20,840	43,383

* An explanation of major variances is included in Note 13.

The accompanying notes form part of these financial statements.

**Nominal Defendant
Statement of Financial Position
as at 30 June 2026**

	Note	2026 Actual \$'000	2026 Original Budget \$'000	Budget Variance* \$'000	2025 Actual \$'000
Current assets					
Cash and cash equivalents	1 (j)	12,976	10,000	2,976	9,211
Receivables		110	106	4	77
Financial assets at fair value through profit or loss	8 & 9	193,291	169,043	24,248	169,997
Claim recoveries	7	697	941	(244)	643
Prepayments		451	-	451	301
Total current assets		207,525	180,090	27,435	180,229
Non-current assets					
Financial assets at fair value through profit or loss	8 & 9	539,847	484,400	55,447	521,180
Claim recoveries	7	9,006	2,125	6,881	1,532
Total non-current assets		548,853	486,525	62,328	522,712
Total assets		756,378	666,615	89,763	702,941
Current liabilities					
Payables		636	323	313	389
Accrued employee benefits		60	28	32	45
Outstanding claims liability	7	51,842	47,782	4,060	47,823
Unearned levies	3	3,892	3,414	478	7,604
Total current liabilities		56,430	51,547	4,883	55,861
Non-current liabilities					
Outstanding claims liability	7	145,306	95,148	50,158	113,896
Total non-current liabilities		145,306	95,148	50,158	113,896
Total liabilities		201,736	146,695	55,041	169,757
Net assets		554,642	519,920	34,722	533,184
Equity					
Accumulated surplus		554,642	519,920	34,722	533,184
Total equity		554,642	519,920	34,722	533,184

* An explanation of major variances is included in Note 13.

The accompanying notes form part of these financial statements.

Nominal Defendant
Statement of Changes in Equity
for the year ended 30 June 2026

	Accumulated surplus	Total equity
	\$'000	\$'000
Balance as at 1 July 2024	489,801	489,801
Operating result	43,383	43,383
Balance as at 30 June 2025	533,184	533,184
Balance as at 1 July 2025	533,184	533,184
Operating result	21,458	21,458
Balance as at 30 June 2026	554,642	554,642

The accompanying notes form part of these financial statements.

Nominal Defendant
Statement of Cash Flows
for the year ended 30 June 2026

		2026	2026		2025
	Note	Actual	Original Budget	Budget Variance*	Actual
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Levy		10,151	6,663	3,488	20,307
Claim recoveries		69	-	69	955
GST input tax credits from Australian Taxation Office (ATO)		799	-	799	719
GST collected from customers		2	-	2	2
<i>Outflows:</i>					
Claims and associated settlement costs		(36,706)	(44,613)	7,907	(34,142)
Employee expenses		(1,609)	(1,649)	40	(1,418)
Supplies and services		(3,573)	(5,707)	2,134	(2,655)
GST paid to suppliers		(822)	(497)	(325)	(702)
GST remitted to ATO		(2)	-	(2)	(2)
Net cash used in operating activities	CF-1	(31,691)	(45,803)	14,112	(16,936)
Cash flows from investing activities					
<i>Inflow:</i>					
Proceeds from sale of financial assets at fair value through profit or loss		21,000	45,803	(24,803)	4,000
Distributions received		16,956	-	16,956	12,864
<i>Outflow:</i>					
Payments for financial assets at fair value through profit or loss		(2,500)		(2,500)	-
Net cash provided by investing activities		35,456	45,803	(10,347)	16,864
Net (decrease) / increase in cash and cash equivalents		3,765	-	3,765	(72)
Cash and cash equivalents at the beginning of the financial year		9,211	10,000	(789)	9,283
Cash and cash equivalents at the end of the financial year		12,976	10,000	2,976	9,211

* An explanation of major variances is included in Note 13.

The accompanying notes form part of these financial statements.

Nominal Defendant
Note to the statement of cash flows
for the year ended 30 June 2026

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

	2026	2025
	\$'000	\$'000
Operating result	21,458	43,383
<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 fees	(77,717)	(80,394)
<i>Change in assets and liabilities:</i>		
(Increase) / decrease in financial assets at fair value through profit or loss	300	257
(Increase) / decrease in prepayments	(150)	(127)
(Increase) / decrease in receivables and claim recoveries	(7,560)	(243)
Increase / (decrease) in current payables	247	21
Increase / (decrease) in unearned levies	(3,713)	505
Increase / (decrease) in outstanding claims liability	35,429	19,652
Increase / (decrease) in accrued employee benefits	15	10
Net cash used in operating activities	(31,691)	(16,936)

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.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1. BASIS OF FINANCIAL STATEMENT PREPARATION

(a) General information

The Nominal Defendant is an independent statutory body established under the *Motor Accident Insurance Act 1994* (the Act) reporting to the Treasurer, Minister for Energy and Minister for Home Ownership, and the Minister for Finance, Trade, Employment and Training.

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 2025.

(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 less than \$500, to zero, unless disclosure of the full amount is specifically required.

(d) Comparatives

Comparative information reflects the audited 2024-25 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 the right at the end of the reporting period to defer settlement beyond 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

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1. BASIS OF FINANCIAL STATEMENT PREPARATION - continued

(e) Current/non-current classification - continued

hand at Nominal Defendant's election. Investments that are long-term and not readily convertible to cash within a short period are classified as 'non-current.'

(f) Judgements and assumptions

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

The Nominal Defendant places high reliance on actuarial estimates provided by Queensland Government State Actuary's Office, in calculating the recoveries on outstanding claims and the outstanding claims liability as at 30 June (**Notes 4 and 7**).

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 8**).

(g) Authorisation of financial statements for issue

The financial statements are authorised for issue by the Acting Insurance Commissioner and the General Manager, Business & Advisory Services 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 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 8** for more details on financial assets at fair value through profit or loss.

(j) Cash and cash equivalents

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

Nominal Defendant

Notes to and forming part of the financial statements for the year ended 30 June 2026

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 based on 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.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4. NET CLAIMS INCURRED

	2026	2025
	\$'000	\$'000
Gross claims incurred	72,135	53,794
Reinsurance and other recoveries	(7,597)	(1,219)
Total net claims incurred	64,538	52,575

(a) Claims development

	2026			2025		
	Current	Prior		Current	Prior	
	Year	Years	Total	Year	Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Gross claims incurred and related expenses</i>						
Undiscounted	68,287	15,488	83,775	52,240	2,694	54,934
Discount	(8,115)	(3,525)	(11,640)	(5,152)	4,012	(1,140)
Provisions made (Note 7)	60,172	11,963	72,135	47,088	6,706	53,794
<i>Reinsurance and other recoveries</i>						
Undiscounted	916	8,119	9,035	698	536	1,234
Discount	(109)	(1,329)	(1,438)	(69)	54	(15)
	807	6,790	7,597	629	590	1,219
Net claims incurred	59,365	5,173	64,538	46,459	6,116	52,575
Total gross claims incurred	60,172	11,963	72,135	47,088	6,706	53,794
Total recoveries	807	6,790	7,597	629	590	1,219
Total net claims incurred	59,365	5,173	64,538	46,459	6,116	52,575

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.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4. NET CLAIMS INCURRED – continued

(b) Claims reconciliation

	2026	2025
	\$'000	\$'000
<i>Gross claims incurred and related expenses</i>		
Claims and associated settlement costs	36,706	34,142
Movement in outstanding claims liability	35,429	19,652
Total gross claims incurred	72,135	53,794
<i>Reinsurance and other recoveries</i>		
Reinsurance and other recoveries	69	955
Movement in other recoveries receivable	7,528	264
Total recoveries	7,597	1,219
Net claims incurred	64,538	52,575

Gross claims, reinsurance, and other recoveries have been actuarially calculated as at 30 June by the State Actuary's Office. The increase in gross claims incurred and recoveries from 2025 reflects the actuary's reassessments of the current and prior years claims liabilities based on the actual claim payments and experience during the current year.

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 and associated settlement costs include costs that can be associated directly with individual claims.

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 are 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 7**). Recoveries are measured as the present value of the expected future receipts, calculated on the same basis as the outstanding claims liability.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5. EMPLOYEE EXPENSES

	2026	2025
	\$'000	\$'000
Salaries and wages	1,270	1,125
Employer superannuation contributions	176	156
Leave levies	169	151
Employee related expenses	2	1
Total	1,617	1,433

The number of employees, including both full-time employees and part-time employees, measured on a full-time equivalent basis is 11 as at 30 June 2026 and 10 for 30 June 2025 (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 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 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 agreements or other conditions of employment.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5. EMPLOYEE EXPENSES - continued

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 14**.

6. SUPPLIES AND SERVICES

	2026	2025
	\$'000	\$'000
QIC management fee	4,387	3,998
Consultants and contractors	1,171	423
MAIC and NIISQ corporate services fee ^(a)	1,038	1,101
IT related expense	775	441
Queensland Treasury corporate services fee	489	418
Rent	270	200
Queensland Treasury actuarial fees	139	133
Other supplies and services ^(b)	86	88
Total	8,355	6,802

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

(a) 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 15**).

(b) Included in other supplies and services are audit fees quoted by the Queensland Audit Office relating to the 2025-26 financial statements totalling \$80,000 (2025: \$76,150).

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7. NET OUTSTANDING CLAIMS

	2026	2025
	\$'000	\$'000
Gross outstanding claims	208,802	165,196
Claims settlement costs	19,739	16,276
	<u>228,541</u>	<u>181,472</u>
Discount to present value	(31,393)	(19,753)
Gross outstanding claims liability	<u>197,148</u>	<u>161,719</u>
<i>Represented by</i>		
Current	51,842	47,823
Non-current	145,306	113,896
Gross outstanding claims liability	<u>197,148</u>	<u>161,719</u>
Reinsurance and other recoveries	11,407	2,441
Discount to present value	(1,704)	(266)
Reinsurance and other recoveries	<u>9,703</u>	<u>2,175</u>
<i>Represented by</i>		
Current	697	643
Non-current	9,006	1,532
Reinsurance and other recoveries	<u>9,703</u>	<u>2,175</u>
Net outstanding claims	<u>187,445</u>	<u>159,544</u>
Central estimate	187,445	159,544
Risk margin	-	-
Net outstanding claims	<u>187,445</u>	<u>159,544</u>

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7. NET OUTSTANDING CLAIMS – continued

(a) Reconciliation of movement in outstanding claims

	2026	2025
	\$'000	\$'000
Balance at 1 July	159,544	140,156
Prior periods		
Claim payments	(36,399)	(32,858)
Claims handling expenses	(5,548)	(4,192)
Discount unwind	4,504	5,495
Risk margin release	-	-
Effect of changes in assumptions ^(b) and experience	6,215	4,813
Current period		
Provision for current period	59,129	46,130
Net outstanding claims	187,445	159,544
Reinsurance and other recoveries	(9,703)	(2,175)
Gross outstanding claims	197,148	161,719

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 based on the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal and superimposed inflation.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7. NET OUTSTANDING CLAIMS – continued

(b) Actuarial assumptions

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

	2026	2025
Inflation rate	4.50%	4.36%
Discount rate	4.63%	3.74%
Claims handling expenses	10.00%	10.00%
Risk margin*	0.00%	0.00%
Weighted average term to settlement	3.5 years	3.4 years

* Risk margin of 0% is used to provide greater consistency with other Government provisions and recognises AASB137 does not require a risk margin.

(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
		2026 \$'000	2026 \$'000	2025 \$'000	2025 \$'000
Inflation rate	+1%	(6,111)	(6,111)	(5,077)	(5,077)
	-1%	5,804	5,804	4,828	4,828
Discount rate	+1%	5,117	5,117	4,257	4,257
	-1%	(5,490)	(5,490)	(4,564)	(4,564)
Claims handling expenses	+1%	(1,704)	(1,704)	(1,450)	(1,450)
	-1%	1,704	1,704	1,450	1,450
Weighted average term to settlement	+0.5 years	(670)	(670)	(819)	(819)
	-0.5 years	667	667	815	815

Nominal Defendant

Notes to and forming part of the financial statements for the year ended 30 June 2026

7. NET OUTSTANDING CLAIMS – continued

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

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

The Nominal Defendant did not enter a contract for reinsurance cover for the 2025-26 and 2024-25 financial years. This was based on considerations of the cost of reinsurance and the Nominal Defendant's exposure to large loss claims.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

8. 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	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss:						
Current	193,291	169,997	-	-	193,291	169,997
Non-current	435,620	423,131	104,227	98,049	539,847	521,180
Total	628,911	593,128	104,227	98,049	733,138	691,177

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.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

8. FAIR VALUE MEASUREMENT – continued

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 can be traded, the market would not be considered active for level 1, therefore, they are level 2. A market comparison valuation approach is used, with the units carried at redemption value as reasonably determined by the fund manager.

Fair value hierarchy – Level 3

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

The fair value reported by the Nominal Defendant is based on QIC's determination of the investments' fair value. The valuations of the underlying investments are based on unobservable inputs, and their fair value is determined by QIC via independent valuations in accordance with QIC's Investment Valuations Policy. The sensitivity of the fair value measurement to market changes is outlined in **Note 9(c)**.

Reconciliation of Level 3 fair value movements

	2026	2025
Financial assets at fair value through profit or loss - QIC Registry Trust	\$'000	\$'000
Carrying amount at 1 July	98,049	83,488
Distributions	(16,956)	(12,864)
Gains recognised in operating result	23,134	27,425
Carrying amount at 30 June	104,227	98,049

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9. FINANCIAL RISK DISCLOSURES

(a) Categorisation of financial instruments

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

Category	Note	2026 \$'000	2025 \$'000
Financial assets			
Cash and cash equivalents		12,976	9,211
Receivables (amortised cost)		110	77
Financial assets at fair value through profit or loss:			
Current	8	193,291	169,997
Non-current	8	539,847	521,180
Total		746,224	700,465
Financial liabilities			
Current payables (amortised cost)		636	389
Total		636	389

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.

Nominal Defendant's financial assets at fair value through profit or loss consists of investments with QIC. As disclosed in **Note 8**, these are measured at fair value through profit or loss in accordance with AASB 9 *Financial Instruments*. The investments are 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.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9. FINANCIAL RISK DISCLOSURES - continued

(b) Financial risk management

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

Risk exposure is measured using a variety of methods:

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

(i) Credit risk

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

The carrying amount of financial assets disclosed in **Note 9(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. 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.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9. 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.

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 Reserve Bank of Australia official cash rate, US Federal Reserve official cash rate, ASX 200, MSCI World ex Australia Equities Index, real estate capitalisation rate and exchange rate.

The Nominal Defendant's sensitivity to these changes is 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.

Nominal Defendant**Notes to and forming part of the financial statements
for the year ended 30 June 2026****9. FINANCIAL RISK DISCLOSURES - continued**

2026	Price Risk		Interest Rate Risk		Foreign Exchange Risk	
	-15%	+15%	-1.10%	+1.10%	-9%	+9%
Investments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
QIC Short Term Income Fund	(28,994)	28,994	(2,126)	2,126	17,396	(17,396)
QIC Long Term Diversified Fund	(65,343)	65,343	(4,792)	4,792	39,206	(39,206)
QIC Registry Trust	(15,634)	15,634	(1,146)	1,146	9,380	(9,380)
Impact on Profit / Equity	(109,971)	109,971	(8,064)	8,064	65,982	(65,982)

2025	Price Risk		Interest Rate Risk		Foreign Exchange Risk	
	-15%	+15%	-0.95%	+0.95%	-9%	+9%
Investments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
QIC Short Term Income Fund	(25,500)	25,500	(1,615)	1,615	15,300	(15,300)
QIC Long Term Diversified Fund	(63,470)	63,470	(4,020)	4,020	38,082	(38,082)
QIC Registry Trust	(14,707)	14,707	(931)	931	8,824	(8,824)
Impact on Profit / Equity	(103,677)	103,677	(6,566)	6,566	62,206	(62,206)

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

10. CONTINGENCIES AND COMMITMENTS

The Nominal Defendant did not have any contingent assets or liabilities nor any significant commitments as at 30 June 2026.

11. EVENTS OCCURRING AFTER THE REPORTING DATE

The Nominal Defendant has not had any material events occur after 30 June 2026.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

12. 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 (AASB 17) is mandatorily applicable to the Nominal Defendant (ND), as a public sector entity, effective from reporting periods beginning on or after 1 July 2026. This standard 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 which provides public sector-specific guidance.

Scope of AASB 17 for ND

ND acts as Queensland's Compulsory Third Party (CTP) insurer for claims arising from unidentified and uninsured vehicles and provides continuity of protection if a licensed insurer becomes insolvent. ND's levy and claims obligations fall within the scope of AASB 17 as they meet the following criteria of an "insurance-like arrangement":

1. *Enforceability*: The arrangement is enforceable under legislation.
2. *Identifiable Coverage Period*: The coverage period aligns with the financial year in which the levy applies and during which motor vehicle accidents may give rise to claims.
3. *Compensation and risk transfer*: ND compensates claimants and bears the uncertainty of claim costs.

Measurement Models:

AASB 17 introduces two measurement models for insurance contracts. The Nominal Defendant expects to measure its liability for incurred claims using the fulfilment cashflows approach under the general model.

Risk adjustment and discount rate

- a) *Risk adjustment*: The measurement of insurance contract liabilities will include a risk adjustment to reflect the compensation required for bearing the uncertainty that arises from non-financial risk. ND will adopt a 0% risk adjustment for the liability for incurred claims due to the statutory nature of the scheme, the absence of the profit objective, and the ability to adjust levies over time.
- b) *Discount rate*: Currently, under AASB 137, the net central estimate of ND's outstanding claims is discounted using risk-free rates. AASB 17 requires estimates of future cash flows to be discounted to reflect the time value of money and financial risks related to those cash flows but does not prescribe a methodology for determining the discount rates used.

ND's assessment of the discount rate methodology under AASB 17 is ongoing and a decision on the methodology has not been finalised at the date of this report.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

12. FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE – continued

Taxation impact

ND is a statutory body as defined under the Income Tax Assessment Act 1936 and is exempt from the Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). Therefore, there will be no taxation implication to ND when adopting the AASB 17.

Presentation and disclosure

The standard introduces changes to the presentation and disclosures in ND's financial statements including:

- separate disclosure of insurance contract assets and liabilities and reinsurance balances.
- recognition of insurance revenue and insurance service expenses; and
- separate presentation of insurance finance income or expenses.

Insurance contract revenue

Under AASB 17, insurance revenue is recognised as services are provided over the coverage period. For ND, the levy relates to coverage for insured events occurring within the same financial year. Accordingly, levy income is recognised at the point it becomes legally payable, reflecting that the coverage obligation is satisfied within the same reporting period.

Transition approach

ND will adopt AASB 17 retrospectively on the transition date unless it is impractical to do so, in which case a modified retrospective or fair value approach may be applied. ND is currently still completing an assessment on the approach.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

12. FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE – continued

Financial impact

Our preliminary assessment indicates that AASB 17 will result in changes to the recognition of the Nominal Defendant levy and unearned levies, and the discount rate used in the measurement of the Nominal Defendant's claims liability. Such adjustments would aim to maintain the precision and reliability of the agency's financial reporting, particularly in relation to the levy income recognition and valuation of provisions.

The change to the recognition of levy and unearned levies is expected to result in an increase of \$3.9M to the net assets at 30 June 2026 and a \$3.7M reduction to levy income for 2026. Below is an illustration of the financial impact on the ND financial statements.

	2026	2026	Movement*
	\$'000	AASB 17* \$'000	\$'000
Statement of Comprehensive Income			
Levy	13,864	10,152	(3,712)
Total income	103,565	99,853	(3,712)
Statement of Financial Position			
Unearned levies	3,892	-	(3,892)
Total current liabilities	56,430	52,538	(3,892)
Statement of Changes in Equity			
Balance as at 1 July 2025	533,184	540,788	7,604
Operating result	21,458	17,746	(3,712)
Balance as at 30 June 2026	554,642	558,534	3,892

* The estimated AASB 17 impacts outlined above relate only to changes in levy revenue measurement and exclude any impacts on claims provisions

The financial impact of the changes to the claim recoveries and liabilities are unable to be determined at this time as the discount rate methodology to measure the claim recoveries and liabilities is still subject to finalisation.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

12. FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE – continued

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 applies to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028, which will be the 2028-29 financial year for the Nominal Defendant.

This standard sets out new requirements for the presentation of the Statement of Comprehensive Income, requires new disclosures about management-defined performance measures and removes existing options in the classification of dividends and interest received and interest paid in the Statement of Cash Flows.

The AASB is aware that there are issues that need to be clarified in applying AASB 18's new requirements to not-for-profit entities. The AASB expects to conduct outreach with not-for-profit and public sector entities to address these issues and expects that modifications to AASB 18 for application by these entities could take the form of guidance, exemptions, and alternative requirements.

The Nominal Defendant will assess the expected impacts of AASB 18 after the AASB has decided on the modifications applicable to not-for-profit public sector entities. AASB 18's changes will only affect presentation and disclosure; it will not affect the recognition or measurement of any reported amounts.

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.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

13. 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 recognition of unearned levies (at higher rate) collected in prior year.
<i>Reinsurance and other recoveries</i>	The increase in reinsurance and other recoveries reflects changes to the actuary's claim recoveries estimations on outstanding claims.
<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 actuary's reassessment risks relating to the current and prior years claims.
<i>Supplies and services</i>	The variance in supplies and services is primarily due to lower than anticipated IT and contractors related costs connecting to ND's claim management system.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

13. BUDGETARY REPORTING DISCLOSURES – continued

Statement of Financial Position

<i>Cash and cash equivalents</i>	As detailed in the Statement of Cash Flows, the variance is primarily due to lower actual net cash used in operating activities.
<i>Financial assets at fair value through profit or loss (current and non-current)</i>	Strong investment performance, particularly equity markets, resulting in higher than budgeted fair value gains.
<i>Claim Recoveries (current and non-current)</i>	The variance reflects change to the actuary's claim recoveries estimations on outstanding claims.
<i>Unearned levies</i>	The variance in unearned levies is due to higher levies received and different audited opening balance than projected in the budget.
<i>Outstanding claims liability (current and non-current)</i>	The movement in the current and non-current outstanding claims liability reflects actuarial assessment as at 30 June.
<i>Accumulated surplus</i>	The increase is due to stronger operating results as explained in the Statement of Comprehensive Income.

Statement of Cash Flows

<i>Levy</i>	The favourable variance is due to levy revenue exceeding budget as a result of higher than anticipated vehicle registration volumes.
<i>Claim recoveries</i>	The increase is due to unbudgeted recoveries.
<i>GST input tax credits from ATO</i>	The variance is due to unbudgeted input tax credits for supplier invoices.
<i>Claims and associated settlement costs</i>	The variance is a result of lower than anticipated claim payments, reflecting the inherent uncertainty in predicting the amount and timing of future claim payments.
<i>Supplies and services</i>	The variance in supplies and services is mainly due to cash flow timing of when supplier invoices were paid.
<i>Investing activities</i>	The variances in cash flows from investing activities reflect QIC cash distributions and drawdowns to meet cash flow requirements.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

14. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Details of KMP

The Treasurer, Minister for Energy and Minister for Home Ownership, and the Minister for Finance, Trade, Employment and Training are identified as part of Nominal Defendant's KMP, consistent with additional guidance included in the revised version of *AASB124 Related Party Disclosures*.

The 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 2025-26 and 2024-25 can be found in the leadership team section of the MAIC annual report.

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.

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.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

14. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Remuneration expense

The Nominal Defendant did not have any KMP remuneration for 2025-26 and 2024-25 as the KMP were not directly employed by the Nominal Defendant. The KMP were employed by either MAIC or NIISQ, with a corporate support fee charged for the 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.

15. 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 \$3.2 million were made by the Nominal Defendant to WorkCover in 2025-26, 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 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**.

Nominal Defendant
Notes to and forming part of the financial statements
for the year ended 30 June 2026

16. TAXATION

The Nominal Defendant is a statutory body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation except for 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.

17. 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 2025-26.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2025-26.

Accounting standards applied for the first time

No new accounting standards or interpretations that apply to the Nominal Defendant for the first time in 2025-26 had any material impact on the financial statements.

18. CLIMATE RISK DISCLOSURE

ND considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

ND continues to monitor the emergence of material climate-related risks that may impact the financial statements of the agency, including directives from Government or Queensland Treasury.

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 ND.

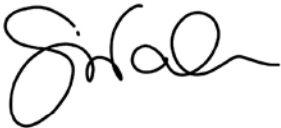
MANAGEMENT CERTIFICATE

for the year ended 30 June 2026

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 2026 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.



G Walker

Acting Insurance Commissioner

28 August 2026



R McLean, CA

General Manager, Business & Advisory Services

28 August 2026

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 financial report comprises the statement of financial position as at 30 June 2026, 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 accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

- 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.
- c) In my opinion, the financial report:
 - i. gives a true and fair view of the entity's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended
 - ii. 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.

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 such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error

- the establishment and keeping of accounts in accordance with prescribed requirements
- 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:
www.auasb.gov.au/auditors_responsibilities/ar4.pdf

A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at:
www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor's report.



William Cunningham
as delegate of the Auditor-General

28 August 2026

Queensland Audit Office
Brisbane