

Motor Accident Insurance Commission

Annual Report 2025–26

First Nations acknowledgement

We acknowledge the Traditional Owners of the lands on which we live and work and recognise their connection to land, sea and community. We acknowledge Elders past, present and emerging for they are the holders of culture, knowledge, wisdom and leadership that is passed from generation to generation.

Print: ISSN:1837-1450

Online: ISSN: 1837-1469



The Motor Accident Insurance Commission is committed to providing accessible information and services to Queenslanders from all cultural and linguistic backgrounds. To talk to someone about this annual report in your preferred language call 1800 CTP QLD (1800 287 753).

Motor Accident Insurance Commission

GPO Box 2203, Brisbane QLD 4001
Phone: 1800 CTP QLD (1800 287 753)
Email: maic@maic.qld.gov.au
Web: <https://maic.qld.gov.au/>

Nominal Defendant

GPO Box 2203, Brisbane QLD 4001
Phone: 07 3035 6321
Email: nd@maic.qld.gov.au
Web: <https://maic.qld.gov.au/about-us/maic-and-nd/#nominal-defendant>

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

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Letter of compliance and certification of financial statements

3 September 2026

The Honourable Ros Bates MP
Minister for Finance, Trade, Employment and Training
GPO Box 15483
CITY EAST QLD 4002

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2025–26 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*, 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 93](#) of this annual report.

Yours sincerely,



Gaenor Walker
Acting 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) is a statutory body which 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 MAIC Insurance Commissioner 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>.

Our location

MAIC has been located in Brisbane since it commenced operations on 1 September 1994 as a statutory body and is located at 275 George Street. MAIC and the Nominal Defendant are positioned within the Finance and Investment 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:

- improved experience for claimants, motorists and stakeholders
- smart and responsive regulatory functions
- a highly engaged team that strives for excellence.

Our contribution to government objectives for the community

We also actively support the Queensland Government's objective for the community of fostering 'Safety where you live' by focusing on trauma mitigation, early intervention and strong rehabilitation support, helping injured claimants and motorists recover from accidents.

Our opportunities

We embrace the opportunity to:

- develop a future-ready workforce that consistently delivers high-quality services to claimants
- unite with stakeholders to collaborate and co-design better claimant outcomes and reduced incidences and effects of road trauma
- leverage emerging digital technologies to educate stakeholders, influence decision-making and improve outcomes for the scheme
- influence and invest in key health initiatives to improve outcomes.

Our key risks

We mitigate risks such as:

- inability to respond appropriately to economic pressures and third-party risks
- legislation fails to respond to unethical practices
- inability to provide a flexible, future-ready work environment to protect the wellbeing of our workforce and ensure excellence in service delivery
- inability to have a scheme structure that can respond to significant market pressures.

Our success measures

Our success is indicated by:

- stakeholder feedback and claimant satisfaction
- scheme efficacy measures and process digitisation
- Commission compliance and reputation measures
- team diversity and engagement measures.

Insurance Commissioner's report

As I reflect on 2025–26, I keep coming back to the idea that strong schemes are built over time. They rely on clear purpose, careful stewardship and a shared commitment to doing the core work well, every day, for Queenslanders. This year marked an important transition for the Motor Accident Insurance Commission (MAIC) and the Nominal Defendant, as we farewelled Neil Singleton as Insurance Commissioner. Neil's leadership over many years helped strengthen the foundations of Queensland's Compulsory Third Party (CTP) insurance scheme. He brought a steady focus to affordability, fairness and the needs of people injured on our roads. His contribution has left a lasting legacy, and I sincerely thank him for his dedication to the scheme, the community and the many people who have worked alongside him.

Queenslanders continue to benefit from one of the most affordable CTP insurance schemes in Australia. The scheme provides strong, affordable protection for vehicle owners while ensuring people injured in motor vehicle accidents can access compensation, treatment, rehabilitation and care to support their recovery and long-term outcomes.

That performance does not happen by accident. It reflects effective regulation, constructive engagement with licensed insurers and a shared commitment to continuous improvement. It also reflects the ongoing work of people across MAIC, the Nominal Defendant and our partner organisations.

A key milestone during the year was the finalisation of the 2023 scheme review. Following further consultation and analysis, the review was finalised in early 2026, with the Queensland Government determining that broader reforms would not be progressed at this time. The return of competitive premiums across multiple vehicle classes for the first time in more than a decade is a clear sign of a healthy, sustainable scheme working well for Queensland motorists.

Throughout the year, we remained focused on our strategic priorities: improving experiences for claimants, motorists and stakeholders; delivering smart and responsive regulatory functions; and building a highly engaged and capable workforce. These priorities are practical ones. They are about making sure the scheme continues to meet the needs of Queenslanders now, while also preparing for the future.

Across our work, we continued to strengthen partnerships, embrace innovation and seek opportunities to improve how we deliver services and regulatory oversight.

Financial sustainability remains fundamental to the long-term success of Queensland's CTP insurance scheme. During 2025–26, MAIC continued to balance affordability for motorists with funding for future claims through careful stewardship, evidence-based decision-making, strong financial management and effective regulatory oversight. This helps ensure the scheme remains resilient and sustainable.

Looking ahead, our focus remains on evolving community expectations, advances in technology, changing patterns of mobility and increasing data capability. We will continue to leverage data, digital solutions and evidence-based approaches to strengthen regulatory oversight, enhance stakeholder experiences and support informed decision-making. Importantly, we will continue listening to claimants, motorists, insurers, healthcare providers and our partners to ensure Queensland's CTP scheme remains responsive, contemporary and focused on what matters most to the people it serves.

As always, none of this work happens in isolation. Strong schemes are sustained by the collective efforts of many people over many years. I would like to sincerely thank our team, licensed insurers, healthcare and legal professionals, researchers, stakeholder partners and the many others who contribute their expertise, care and commitment to Queensland's CTP scheme every day. Your efforts help ensure injured people receive the support they need, while maintaining a scheme that remains affordable and sustainable for Queensland motorists. I also thank Queensland motorists for their ongoing contribution to the scheme. Together, we are helping build a system that responds when accidents occur and contributes to safer roads, stronger communities and better outcomes for the future.

Gaenor Walker
Acting Insurance Commissioner

Performance

Our 2025–26 performance is assessed against the objectives outlined in our Strategic plan 2022–2026 (refer to Appendix 1, [page 83](#)).

These objectives include:

- improved experience for claimants, motorists and other stakeholders
- smart and responsive regulatory functions
- a highly engaged team that strives for excellence.

Key initiatives

MAIC and the Nominal Defendant delivered their strategic objectives through a number of key initiatives. This is summarised in the report card on [page 9](#).

Future focus 2026–27

In 2026–27, our purpose remains clear: to ensure the ongoing operation, affordability and effectiveness of the CTP scheme for Queensland motorists and individuals affected by road trauma. MAIC and the Nominal Defendant will achieve this by:

- delivering smart, adaptive and modern regulation
- ensuring scheme affordability and financial sustainability
- improving claimant experience and outcomes
- preparing the scheme for future risks and innovation
- utilising modern technology to enhance the efficiency and effectiveness of claims management processes, including streamlining operational workflows to deliver improved claims management outcomes
- leveraging predictive data analytics and insights to inform decision-making and inform operational claims decisions to optimise outcomes
- leveraging trusted internal and external relationships to enhance claims management by exchanging knowledge, building partnerships, and integrating innovative approaches that strengthen the Nominal Defendant team's capabilities and outcomes
- investing in workforce capability development through a workforce futures program, focusing on emerging skills and leadership development
- fostering a culture of collaboration, innovation and accountability to drive organisational success
- prioritising talent acquisition and retention by implementing forward-thinking strategies
- leveraging advanced technologies and ways of working to deliver more impactful outcomes
- fostering a culture of innovation and learning to respond to the dynamic external environment
- leveraging data analytics to improve decision-making
- implementing contemporary governance practices to enhance adaptability and resilience
- regularly reviewing and refining operational processes to ensure alignment with strategic goals and transparent business performance.

Report card

Highlights	Performance indicators	Target	Outcome
Objective 1. Improved experience for claimants, motorists and stakeholders			
Develop faster, simpler systems and processes, enhancing efficiency through digitisation and self-service options	Modernise MAIC Personal Injury Register (PIR) uplift to support front end	On track	On track
Support research focused on reducing the incidence and effects of road trauma	Finalise next stage of Grants Connect enhancements, including grants monitoring and other reporting modules	Achieved	Achieved
	Consider outcomes derived through initiatives funded through the MAIC Innovation Research Action Awards (MIRAA) grants round, in particular future opportunities that may emerge from pilot initiatives	On track	On track
Collaborate with and leverage strategic partnerships to deliver better outcomes	Provide timely and additional engagement supports through a variety of channels	Achieved	Achieved
	Drive a digital agenda and mindset	Achieved	Achieved
Co-design initiatives that embed representative voices of claimants and motorists	Implement claimant engagement and consultation	Achieved	Achieved
	Deliver on initiatives that improve claimant experience	Achieved	Achieved
Best practice Nominal Defendant claims management	Explore and implement emerging technologies to enhance Nominal Defendant claims management	On track	On track
Objective 2. Smart and responsive regulatory functions			
Sustain confidence through prudent financial management	Deliver timely and accurate financial reporting (including budget reporting), financial statements and statutory reporting	Achieved	Achieved
	Improve and simplify corporate processes, policies and frameworks to identify opportunities for improved alignment and service delivery	On track	On track
Leverage technology to drive scheme efficiencies and engagement	Establish CTPSecure (Appian) for digital engagement with external stakeholders	Achieved	Achieved
Embrace the power of data analytics to inform decision-making	Manage existing AI experiment portfolio with a continued focus on business led use cases, problem identification and value creation	Achieved	Achieved
Effective systems, regulatory tools, techniques and practices	Review and refresh MAIC guidelines and information sheets	Achieved	Achieved
Objective 3. A highly engaged team that strives for excellence			
Empower a safe, capable and engaged team	Design and promulgate MAIS-Q Workforce Futures Strategy	Achieved	Achieved
	Implement approved workforce plans and evaluate effectiveness of initiatives	Achieved	Achieved
Cultivate a bold, curious and focused culture, championing our people as they deliver outstanding services	Embed and evaluate Learning and Development framework, management programs and learning library	Achieved	Achieved
	Maintain and harness a healthy organisational culture	Achieved	Achieved
	Cultivate an innovative, agile and curious culture	Achieved	Achieved
Continuously collaborate and grow innovative functionality to improve ways of working	Continue to embrace cross-disciplinary teams to deliver outcomes	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 the 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. Actuarial analysis is used to ensure that appropriate levies are collected to provide ongoing services to people injured on Queensland's roads.

Statutory insurance scheme levy

The statutory insurance scheme levy covers the estimated operating costs of MAIC in administering the MAI Act and fulfilling the range of legislative functions required. It also provides funding for research into crash prevention and injury mitigation. From 1 July 2025, the levy increased by \$2.00 to \$4.00 per policy and collected \$21.0 million across 2025–26.

Nominal Defendant levy

The Nominal Defendant levy varies by vehicle class and covers the estimated costs of the Nominal Defendant in managing and funding claims arising from motor vehicle accidents involving uninsured (unregistered) or unidentified vehicles. The levy is determined based on an actuarial assessment of claim trends. From 1 July 2025, the levy for Class 1 vehicles decreased to \$2.00 with \$10.2 million collected in 2025–26.

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 2025, the hospital and emergency services levy increased by \$2.55 to \$11.75 for a Class 1 vehicle. The collected income from the levy for the financial year was \$59.6 million, of which \$51.8 million was apportioned to Queensland Health (QH), \$3 million to Queensland Fire Department (QFD) and \$4.8 million was allocated to Queensland Police Service (QPS).

Collecting the levy in this way removes the need for hospitals and emergency services to issue invoices to CTP insurers for each treatment provided to victims of road crashes. This saves a significant administrative burden for service providers and licensed CTP insurers, providing an efficient means of funding agencies which provide critical services to people injured or killed in motor vehicle accidents.

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 \$7.60 to \$131.40 for a Class 1 vehicle in 2025–26 and collected \$712.2 million.

Administration fee

The administration fee is the fee payable to DTMR for delivering administrative support to the CTP insurance scheme, such as providing CTP-related customer service and processing CTP premiums as part of the motor vehicle registration process. The administration fee increased by 5 cents to \$8.65 per policy in 2025–26 and collected \$45.5 million.

Premium levy and fee collection

1 July 2025 to 30 June 2026

Description*	\$ ('000)
Total insurance premiums collected**	2,221,100
Nominal Defendant levy	10,151
Statutory insurance scheme levy	21,028
Hospital and emergency services levy^	59,549
Administration fee (DTMR fee)	45,510
NIISQ levy+	712,184
Insurer's premiums#	1,372,678

Notes: * Levies received for the period 1 July 2025 to 30 June 2026 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

Improving access to CTP information through a refreshed MAIC website

In July 2026, we published an updated MAIC website with a refreshed design, simpler content and clearer navigation. The changes make it easier for vehicle owners, injured people, health providers and other stakeholders to find practical information about CTP insurance, the claims process, rehabilitation, research and scheme governance.

The new structure brings together information that was previously spread across different sections, including what CTP covers, what to do after an accident, how to make and manage a claim, and how claimants can access insurer-funded rehabilitation and treatment. We also introduced a central resources hub and a dedicated research section to better showcase MAIC-funded work that supports road safety and recovery outcomes.

The updated website supports our broader commitment to making Queensland's CTP scheme easier to understand and navigate. Existing links and bookmarks have largely been maintained through redirects, helping minimise disruption for regular users while improving access to clearer, more user-focused information.

Finalising Queensland's CTP scheme review

During 2025–26, the Queensland Government finalised its review of Queensland's CTP insurance scheme following consideration of stakeholder submissions, additional consultation and further analysis. The review examined opportunities to improve affordability, sustainability and competition within the scheme while maintaining support for people injured on Queensland roads.

The review concluded that reform would not be progressed at this time, recognising that Queensland's CTP scheme continues to perform well and remains one of the most affordable in mainland Australia. MAIC will continue to engage with stakeholders and monitor scheme affordability, competitiveness and performance to ensure the scheme continues to deliver for Queensland motorists and injured road users.

Price competition returns to Queensland's CTP scheme

This year, Queensland motorists also benefited from the return of price competition within the CTP insurance market for the first time since 2017. Licensed insurers began offering different CTP premium prices, providing motorists with greater choice and creating downward pressure on registration costs.

The return of competitive premiums reflects the strength and stability of Queensland's privately underwritten CTP scheme. It supports MAIC's objective of maintaining an affordable, fair and sustainable scheme while delivering value for motorists and ensuring genuinely injured people continue to receive access to treatment, rehabilitation and compensation.

Launching MAIC Exchange to improve insurer reporting

In 2025–26, MAIC continued progressing pilots on the Queensland CTP Portal and MAIC Exchange platforms, working with insurers and lawyers to ensure feedback was addressed. MAIC Exchange is a secure reporting platform designed to help insurers exchange information and documents with MAIC in line with regulatory requirements.

This work supports MAIC's broader focus on claimant experience, scheme communications and emerging strategic priorities. It also lays the foundation for more secure and efficient digital services across the CTP scheme, while reducing administrative burden for insurers and legal stakeholders.

Strengthening support for unrepresented claimants

In June 2026, MAIC launched a new Claims Management Standard to strengthen protections for people navigating Queensland's CTP claims process without legal representation. The standard aims to improve transparency and communication by setting clear requirements for licensed insurers, including timely responses, accessible claims officer contact details, reminders about the option to seek legal advice and clearer explanations of settlement offers.

The standard is supported by a dedicated information sheet to help unrepresented claimants understand their responsibilities and what to expect throughout the claims journey.

Together, these resources reinforce MAIC's commitment to safeguarding claimants, supporting informed decision-making and ensuring insurers meet their obligations under Queensland's CTP insurance scheme.

Managing Nominal Defendant claims prudently

The Nominal Defendant continues to provide an important safety net for people injured by unidentified or uninsured vehicles in Queensland. Its work requires careful and prudent claims management, particularly where the involvement of an unidentified vehicle is alleged and the facts of a claim require close scrutiny.

Monitoring the NIISQ

In line with the NIISQ Act, we continue to 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 vehicle crash in Queensland on or after 1 July 2016.

This monitoring role helps maintain confidence that the scheme is operating as intended and delivering long-term support for seriously injured people. Further information about NIISQ and the NIISQ Agency's operations is available in the NIISQ Agency annual report at <https://niis.qld.gov.au/>.

Prevention of road crashes

In fulfilling its legislative functions, MAIC funds a range of ongoing and one-off initiatives designed to support the continued viability and affordability of the Queensland CTP scheme. This investment focuses on preventing road crashes and minimising the impacts of road trauma by making improvements in the treatment, care and rehabilitation of those injured.

During this financial year, we have continued our support to a range of healthcare, rehabilitation and trauma initiatives to support outcomes for Queenslanders injured on our roads.

Governance

Our people

We strive to create a positive workplace environment where our people are engaged, committed and highly capable. In 2025–26, 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, Multicultural Queensland month and Disability Action week. MAIC staff have access to a range of diversity and inclusion employee networks coordinated by Queensland Treasury. They are also provided with the opportunity to immerse themselves in team showcases, cultural training, Innovation Day activities and other work programs.

The health and wellbeing of our team is essential and during 2025–26 we continued to encourage staff to maintain an appropriate work-life balance. We supported our employees through trauma-informed practice training and focused on building capability through training in positive performance management, good management practice and recruitment and selection. Staff engagement remained strong in 2025–26, with an 86% engagement score in the Working for Queensland survey, with results surpassing the public sector average in all areas bar one.

We met our obligations under the *Public Sector Ethics Act 1994* by ensuring our staff completed Queensland Treasury's suite of mandatory online training modules, including code of conduct, right to information, information privacy and fraud and corruption. We also strive to further the objectives of the *Human Rights Act 2019* through annual online training for all employees and leveraging Queensland Treasury's human rights complaints management framework and human rights network.

Nil formal disputes arose during the 2025–26 period.

Nil formal employee grievances were lodged during the 2025–26 period.

Our employee expenses and key executive management personnel and remuneration information can be found in the Financial Information (pages [30](#) and [40](#) for MAIC, and pages [59](#) and [77](#) for the Nominal Defendant). To see MAIC's workforce profile, including full-time equivalent (FTE) staff and permanent separation rate, view Queensland Treasury's annual report.

Our values

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

- Customers first
- Ideas into action
- Unleash potential
- Be courageous
- Empower people

Human rights

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

- completed Human Rights Certificates for the *Motor Accident Insurance (Administration Fee and Levies) and Other Legislation Amendment Regulation 2026* and *Motor Accident Insurance Indexation Notice 2026*
- 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 focus on employee health, safety, wellbeing and human rights by supporting flexible work arrangements for employees.

No human rights complaints were received during the 2025–26 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 Treasurer, Minister for Energy and Minister for Home Ownership, as well as the Minister for Finance, Trade, Employment and Training.

They are 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 2026, the leadership team comprised of:

Gaenor Walker

Acting Insurance Commissioner

B. OccTher, Grad Cert (Management)

Gaenor Walker brings extensive experience from her time working in the insurance sector, non-government organisations and in private practice. With a passion for service design and transformation, Gaenor is proud to be leading the MAIC, Nominal Defendant and NIISQ teams. Her responsibilities include providing strong strategic leadership to ensure a sustainable and equitable CTP insurance scheme in Queensland that delivers outcomes for injured people.

Gaenor also holds the role of Acting Chief Executive Officer with the NIISQ Agency.

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. He also manages MAIC's regulatory functions, including the supervision of licensed insurers and claim farming investigations and prosecutions.

Robert McLean

General Manager, Business and Advisory Services

Acting Deputy Insurance Commissioner

BCom/LLB (Hons), Grad Dip ICAA, Dip Fin Planning

In his role, Robert leads a diverse range of corporate operational teams, encompassing finance, corporate governance, people and culture, procurement, business services and communications. A qualified accountant and member of Chartered Accountants Australia and New Zealand (CA ANZ), Robert brings over two decades of experience to his role. His career, which began in public practice, has spanned the Queensland workers' compensation and non-profit sectors, equipping him with an extensive understanding of the unique challenges these industries face every day.

Robert is deeply passionate about fostering a proactive team environment that supports the business through the delivery of high-quality services.

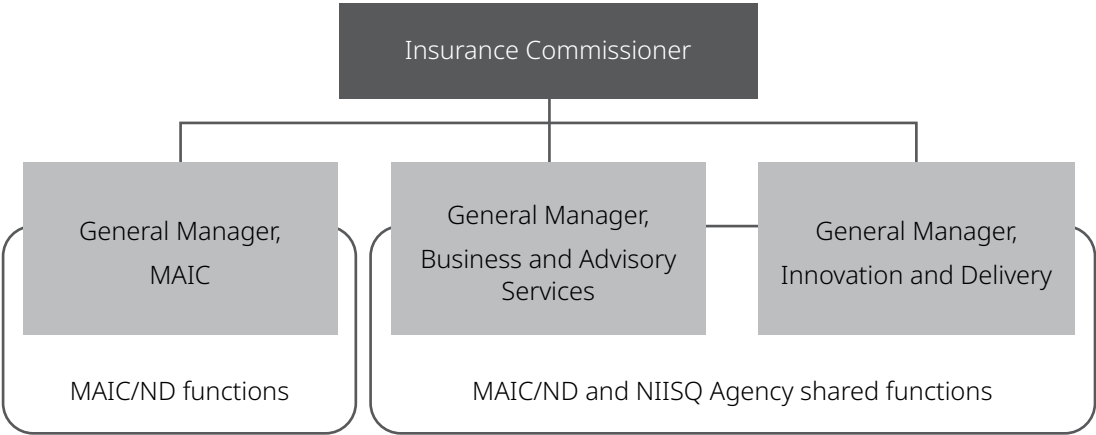
Peter How

General Manager, Innovation and Delivery

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

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

In accordance with the *Financial Accountability Act 2009*, the Under Treasurer has the responsibility to establish and maintain an appropriate system of internal control and risk management.

We are committed to effective risk management and have adopted Queensland Treasury's risk management framework, which includes a risk management policy and a risk management guide. The framework aligns with the principles contained in the Australian Standard AS/NZS ISO 31000:2018 *Risk management – guidelines, Commonwealth Risk Management Policy 2023* and other relevant standards.

MAIC and the Nominal Defendant's 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. Our risk management approach ensures:

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

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) support 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 ARMC is to provide independent assurance and advice to the Under Treasurer on the appropriateness of Treasury's financial reporting, risk management, internal controls and external accountability responsibilities as prescribed in the relevant legislation and standards.

The ARMC also provides oversight for select Treasury-related entities that sit within Treasury's broader portfolio (but prepare independent financial statements) which in 2025–26 included MAIC and the Nominal Defendant.

2025–26 Audit and Risk Management Committee

Chair:

- Karen Prentis (independent member)

Members:

- Domenico Licastro – term ended during the year
- Georgina Crundell – resigned during the year
- Mike Reid
- Nina Du Thaler.

During the reporting period, several changes occurred regarding the composition and membership of the Committee. Specifically, two independent members tendered their resignations, and two new independent members were appointed. This composition is consistent with the requirements for a fully independent Committee, as outlined in the Queensland Treasury Audit Committee Guidelines Improving Accountability and Performance October 2023.

The Under Treasurer, Deputy Under Treasurer, Corporate and Executive Services, Chief Finance Officer (CFO), Chief Risk Officer, Queensland Audit Office (QAO), Internal Audit providers and Head of Internal Audit and a representative from the Queensland Revenue Office (QRO) have standing invitations as observers to attend all ARMC meetings. Treasury officers are invited to attend meetings as required.

The five independent committee members received a combined total remuneration of \$56,000 (excluding GST) for their role on the committee during 2025–26.

Key achievements for 2025–26

In 2025–26, the Committee met five times and fulfilled its responsibilities in accordance with its charter and approved work plan.

Key achievements included:

- endorsing the 2024–25 Financial Statements for Queensland Treasury, MAIC and the Nominal Defendant
- endorsing the three-year strategic Internal Audit Plans and monitoring 2025–26 internal audit activity
- reviewing the effectiveness of the department's risk management framework and overseeing the management of material project risks

- monitoring progress of the implementation status of internal audit recommendations
- considering issues raised by QAO, including the status of recommendations implementation from performance audits and Treasury-related reports to Parliament
- considering the ongoing performance management, information security, governance and risk management activities of the department (including MAIC and the Nominal Defendant).

Internal and external accountability

Our governance framework includes both internal and external accountability measures. During 2025–26, MAIC and the Nominal Defendant's internal audit services were provided by an outsourced provider, appointed and managed by Queensland Treasury.

Internal audit is an integral part of the corporate governance framework by which Queensland Treasury ensures that internal controls are in place to mitigate risks, and that governance processes meet organisational goals effectively. Internal audit is designed to add value and improve operations by providing independent and objective assurance to the Under Treasurer that the financial and operational controls are efficient, effective and economical.

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.

Information systems and records management

MAIC and the Nominal Defendant collect and store personal information to administer Queensland's CTP insurance scheme under the MAI Act.

Our corporate infrastructure is within scope for both MAIC and the Nominal Defendant. Our records management framework aims to ensure our record management practices are consistent with other offices within the Queensland Treasury portfolio and are compliant with the MAI Act, *Public Records Act 2023*, *Information Privacy Act 2009* and best practice record keeping standards. Records are securely stored within MAIC and the Nominal Defendant's controlled information systems, with appropriate safeguards to protect confidentiality, integrity and accessibility in line with legislative and policy requirements.

Information security attestation

MAIC and the Nominal Defendant are included in Queensland 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 Queensland Treasury to the Queensland Government General Manager Cyber Security, 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: 2025–26, are available at <https://maic.qld.gov.au/about-us/publications/ctp-scheme-insights>.

We support the Queensland Government Open Data Initiative. In 2025–26, we released 15 datasets in addition to CTP insurance scheme insights reports. Our Open Data sets are available at <https://www.data.qld.gov.au/dataset/compulsory-third-party-ctp-statistics>.

Finances

Our financial information

Motor Accident Insurance Commission

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

The head office and principal place of business is:
Level 17, 275 George Street
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

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

The head office and principal place of business is:
Level 17, 275 George Street
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/about-us/maic-and-nd/#nominal-defendant

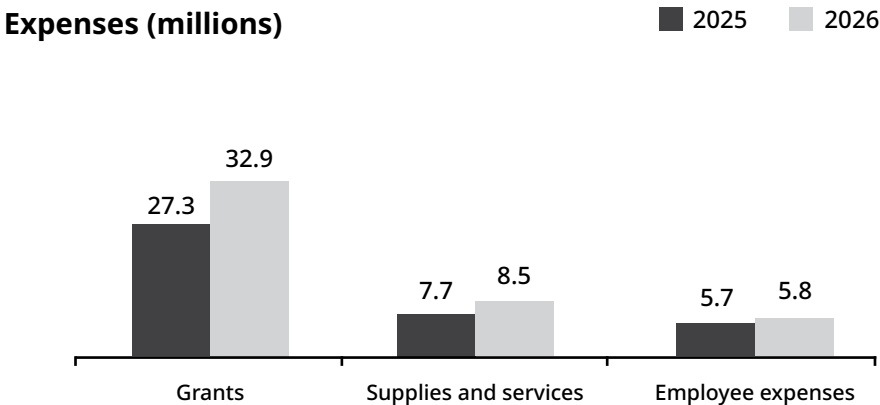
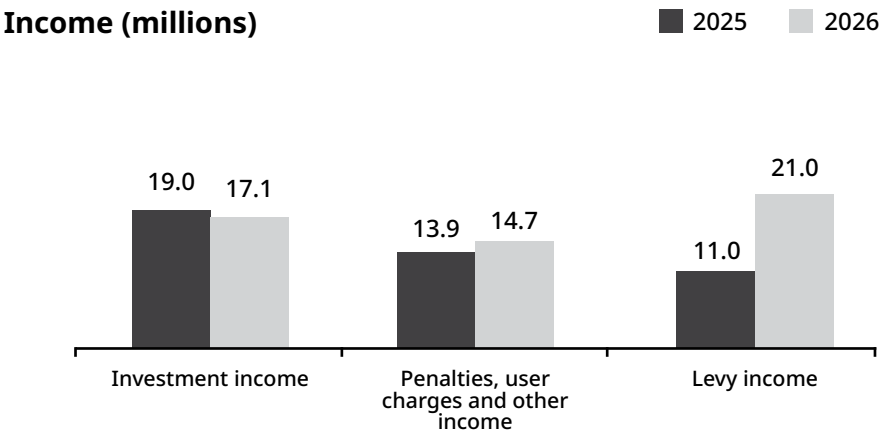
Motor Accident Insurance Commission summary of financial performance 2025–26

MAIC reported an operating surplus of \$5.5 million for 2025–26, up from \$3.1 million in 2024–25, driven by higher levy and penalty income, partly offset by higher expenses and lower investment returns.

The statutory insurance scheme levy increased to \$4.00 per vehicle (\$2.00/vehicle 2024–25), while penalties, user charges and other income rose by \$0.8 million to \$14.7 million.

Investment gains were \$17.1 million, down from \$19.0 million in 2024–25, reflecting lower equity market returns.

Expenses increased by \$6.6 million to \$47.3 million, mainly due to grants of \$32.9 million supporting research and injury mitigation programs. The \$5.7 million increase in grants reflected higher investment in targeted research and service delivery, with details in Appendix 5.



Motor Accident Insurance Commission financial statements 2025–26

Motor Accident Insurance Commission Statement of Comprehensive Income for the year ended 30 June 2026

	Note	2026 Actual \$'000	2026 Original Budget \$'000	Budget Variance* \$'000	2025 Actual \$'000
Income					
Levy	3	21,028	20,713	315	10,963
Penalties	4	12,152	10,933	1,219	11,258
User charges	5	1,908	1,729	179	1,733
Other revenue		648	874	(226)	902
Total revenue		35,736	34,249	1,487	24,856
Net fair value gains on financial assets at fair value through profit or loss	11	17,060	9,134	7,926	18,990
Total income		52,796	43,383	9,413	43,846
Expenses					
Grants	6	32,948	35,000	(2,052)	27,263
Employee expenses	7	5,771	6,337	(566)	5,687
Supplies and services	8	8,514	8,892	(378)	7,727
Depreciation and amortisation		59	53	6	30
Total expenses		47,292	50,282	(2,990)	40,707
Operating result		5,504	(6,899)	12,403	3,139
Total comprehensive income/(losses)		5,504	(6,899)	12,403	3,139

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

The accompanying notes form part of these financial statements.

Motor Accident Insurance Commission
Statement of Financial Position
as at 30 June 2026

		2026	2026		2025
	Note	Actual	Original	Budget	Actual
		\$'000	Budget	Variance*	
			\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	1(j)	10,359	8,000	2,359	12,353
Receivables	9	996	1,332	(336)	893
Prepayments		548	-	548	360
Total current assets		11,903	9,332	2,571	13,606
Non-current assets					
Financial assets at fair value through profit or loss	11&12	134,057	113,334	20,723	127,105
Plant and equipment		142	6	136	201
Total non-current assets		134,199	113,340	20,859	127,306
Total assets		146,102	122,672	23,430	140,912
Current liabilities					
Payables	10	1,098	505	593	1,450
Accrued employee benefits		214	140	74	176
Total current liabilities		1,312	645	667	1,626
Net assets		144,790	122,027	22,763	139,286
Equity					
Contributed equity		57,818	57,818	-	57,818
Accumulated surplus		86,972	64,209	22,763	81,468
Total equity		144,790	122,027	22,763	139,286

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

The accompanying notes form part of these financial statements.

Motor Accident Insurance Commission
Statement of Changes in Equity
for the year ended 30 June 2026

	Accumulated Surplus \$'000	Contributed Equity \$'000	Total Equity \$'000
Balance as at 1 July 2024	78,329	57,818	136,147
Operating result	3,139	-	3,139
Balance as at 30 June 2025	81,468	57,818	139,286
Balance as at 1 July 2025	81,468	57,818	139,286
Operating result	5,504	-	5,504
Balance as at 30 June 2026	86,972	57,818	144,790

The accompanying notes form part of these financial statements.

Motor Accident Insurance Commission
Statement of Cash Flows
for the year ended 30 June 2026

	Note	2026 Actual \$'000	2026 Original Budget \$'000	Budget Variance* \$'000	2025 Actual \$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Levy		21,028	20,713	315	10,963
Penalties		12,066	10,933	1,133	11,356
User charges		1,908	1,729	179	1,733
GST input tax credits from Australian Taxation Office (ATO)		3,982	-	3,982	3,148
GST collected from customers		189	-	189	189
Other revenue		589	874	(285)	894
<i>Outflows:</i>					
Grants		(33,523)	(35,000)	1,477	(26,405)
Employee expenses		(5,843)	(6,337)	494	(5,611)
Supplies and services		(7,659)	(8,892)	1,233	(7,052)
GST remitted to ATO		(178)	-	(178)	(193)
GST paid to suppliers		(3,847)	-	(3,847)	(3,168)
Net cash used in operating activities	CF-1	(11,288)	(15,980)	4,692	(14,146)
Cash flows from investing activities					
<i>Inflow:</i>					
Proceeds from sale of other financial assets		5,000	16,003	(11,003)	12,000
Distributions received		4,294	-	4,294	3,258
<i>Outflow:</i>					
Payments for plant and equipment		-	(23)	23	(141)
Net cash provided by investing activities		9,294	15,980	(6,686)	15,117
Net (decrease) in cash and cash equivalents		(1,994)	-	(1,994)	971
Cash and cash equivalents at the beginning of the financial year		12,353	8,000	4,353	11,382
Cash and cash equivalents at the end of the financial year		10,359	8,000	2,359	12,353

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

The accompanying notes form part of these financial statements.

Motor Accident Insurance Commission
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	5,504	3,139
<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	(16,300)	(18,229)
Depreciation and amortisation	59	30
<i>Change in assets and liabilities:</i>		
(Increase) / decrease in financial assets at fair value through profit or loss	54	54
(Increase) / decrease in prepayments	(188)	(136)
(Increase) / decrease in receivables	(114)	116
Increase / (decrease) in current payables	(341)	851
Increase / (decrease) in accrued employee benefits	38	29
Net cash used in operating activities	(11,288)	(14,146)

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.

Motor Accident Insurance Commission
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 Motor Accident Insurance Commission (MAIC) is an independent statutory body reporting to the Treasurer, Minister for Energy and Minister for Home Ownership, and the Minister for Finance, Trade, Employment and Training 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 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 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.'

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1. BASIS OF FINANCIAL STATEMENT PREPARATION - continued

(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 11**).

(g) Authorisation of financial statements for issue

The financial statements are authorised for issue by the Acting Insurance Commissioner and the General Manager, Business and 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.

(i) Offsetting financial assets and financial liabilities

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

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 provides funding for research into accident prevention and injury mitigation.

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

3. LEVY - continued

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 (SPER) to MAIC for penalties issued under section 20 of the Act. This occurs at the time of receipt of monies from uninsured motorists.

5. USER CHARGES

	2026	2025
	\$'000	\$'000
NIISQ corporate services charges	1,239	1,024
ND corporate services charges	669	709
Total	1,908	1,733

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

	2026	2025
	\$'000	\$'000
Rehabilitation initiatives research	19,835	14,024
Strategic accident prevention research	9,594	9,616
Road trauma mitigation research	3,519	3,623
Total	32,948	27,263

The payments 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.

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7. EMPLOYEE EXPENSES

	2026	2025
	\$'000	\$'000
Salaries and wages	4,438	4,370
Employer superannuation contributions	654	623
Leave levies	597	581
Employee related expenses	78	99
Other employee benefits	4	14
Total	5,771	5,687

The number of employees, including both full-time employees and part-time employees, measured on a full-time equivalent basis is 33 as at 30 June 2026 and 32 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 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 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 administered by the government division of 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. MAIC's obligations are limited to those contributions paid.

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7. EMPLOYEE EXPENSES - continued

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

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

Key management personnel and remuneration disclosures are detailed in **Note 17**.

8. SUPPLIES AND SERVICES

	2026	2025
	\$'000	\$'000
Consultants and contractors	2,334	1,981
NIISQ corporate services fee ^(a)	1,477	1,279
IT related expenses	1,120	1,191
Queensland Treasury corporate services fee	990	837
QIC management fee	760	760
Rent	591	453
Legal fee	544	554
Queensland Treasury actuarial fees	541	518
Other supplies and services ^(b)	157	154
Total	8,514	7,727

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

(a) Corporate support services provided by National Injury Insurance Agency, Queensland (NIISQ) to MAIC under the tripartite memorandum of understanding (Refer to **Note 18**).

(b) Included in other supplies and services, total audit fees quoted by the Queensland Audit Office relating to the 2025-26 financial statements are \$33,300 (2025: \$30,250).

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9. RECEIVABLES

	2026	2025
	\$'000	\$'000
Accrued penalties	623	536
Leave reimbursements	219	119
GST receivable - <i>net</i>	74	220
Other receivables	80	18
Total	996	893

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 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.

Receivables from Queensland and Australian Government entities (Penalties, GST and Leave reimbursements) do not recognise a loss allowance as these are considered exceptionally low credit risk. Refer to **Note 12** for MAIC's credit risk disclosures. Where MAIC has no reasonable expectation of recovering an amount owed by a debtor, the debt will be written off.

10. PAYABLES

	2026	2025
	\$'000	\$'000
Trade creditors	619	297
Accrued expenses	479	1,153
Total	1,098	1,450

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.

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

11. FAIR VALUE MEASUREMENT

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

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

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

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

	Level 2		Level 3		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value						
through profit or loss	107,660	102,273	26,397	24,832	134,057	127,105
Total	107,660	102,273	26,397	24,832	134,057	127,105

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.

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

11. FAIR VALUE MEASUREMENT – continued

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 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

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 12(c)**.

Reconciliation of Level 3 fair value movements

	2026	2025
	\$'000	\$'000
Financial assets at fair value through profit or loss - QIC Registry Trust		
Carrying amount at 1 July	24,832	21,144
Distributions	(4,294)	(3,258)
Gains recognised in operating result	5,859	6,946
Carrying amount at 30 June	26,397	24,832

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

12. FINANCIAL RISK DISCLOSURES

(a) Categorisation of financial instruments

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

Category	Note	2026 \$'000	2025 \$'000
Financial assets			
Cash and cash equivalents		10,359	12,353
Receivables (amortised cost)	9	996	893
Financial assets at fair value through profit or loss	11	134,057	127,105
Total		145,412	140,351
Financial liabilities			
Current payables (amortised cost)	10	1,098	1,450
Total		1,098	1,450

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

MAIC's financial assets consists of investments with QIC. As disclosed in **Note 11**, these are measured at fair value through profit or loss in accordance with AASB 9 *Financial Instruments*. The investments are 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

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

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

12. FINANCIAL RISK DISCLOSURES – continued

(i) Credit risk

Credit risk exposure refers to the situation where MAIC 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, investments held with QIC and outstanding receivables).

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

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

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

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

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

(ii) Liquidity risk

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

MAIC is exposed to liquidity risk in respect of its current 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.

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

12. 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 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.

MAIC's sensitivity to these 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.

2026	Price Risk		Interest Rate Risk		Foreign Exchange Risk	
Investments	-15%	+15%	-1.10%	+1.10%	-9%	+9%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
QIC Long Term Diversified Fund	(16,149)	16,149	(1,184)	1,184	9,689	(9,689)
QIC Registry Trust	(3,959)	3,959	(290)	290	2,376	(2,376)
Impact on Profit / Equity	(20,108)	20,108	(1,474)	1,474	12,065	(12,065)

2025	Price Risk		Interest Rate Risk		Foreign Exchange Risk	
Investments	-15%	+15%	-0.95%	+0.95%	-9%	+9%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
QIC Long Term Diversified Fund	(15,341)	15,341	(972)	972	9,205	(9,205)
QIC Registry Trust	(3,725)	3,725	(236)	236	2,235	(2,235)
Impact on Profit / Equity	(19,066)	19,066	(1,208)	1,208	11,440	(11,440)

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

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

13. CONTINGENCIES AND COMMITMENTS

There were no significant commitments or contingent assets or liabilities at 30 June 2026.

14. EVENTS OCCURRING AFTER THE REPORTING DATE

MAIC has not had any material events occurring after 30 June 2026.

15. FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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 MAIC.

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.

MAIC 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 MAIC's activities or have no material impact.

16. BUDGETARY REPORTING DISCLOSURES

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

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

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

16. 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>User Charges</i>	Higher corporate support service revenue due to revised cost allocation methodologies and increased support services provided to NIISQ Agency and the Nominal Defendant.
<i>Net fair value gains/(losses) on financial assets at fair value through profit or loss</i>	Strong investment performance, particularly equity markets, resulting in higher than budgeted fair value gains.
<i>Employee expenses</i>	The variance in employee expenses is primarily due to delays in filling vacancies during 2025-26.

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>Receivables</i>	The variance in receivables primarily relates to timing of penalties received.
<i>Financial assets at fair value through profit or loss</i>	Strong investment performance, particularly equity markets, resulting in higher than budgeted fair value gains.
<i>Payables</i>	The variance in payables primarily relates to timing of grant and supplies and services invoice payments at period end.
<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>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</i>	Variance due to different timing of input tax credit receipts from ATO.
<i>GST paid to suppliers</i>	Variance due to different timing of supplier invoice payments.

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

16. BUDGETARY REPORTING DISCLOSURES – continued

Statement of Cash Flows - continued

Other revenue The variance in other revenue relates to return of unspent grant funds.

Grants The variance in grant payments is primarily due to timing of payments relating to the rehabilitation initiative research program.

Employee expenses The variance in employee expenses is primarily due to delays in filling vacancies during 2025-26.

Supplies and Services The variance in supplies and services primarily relates to lower than budgeted expenditure on IT related costs.

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

17. 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 MAIC’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 MAIC during 2025-26 and 2024-25 and can be found in the leadership team section of MAIC Annual Report.

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. Most 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.

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

17. 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 are 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 2025 to 30 June 2026

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 (to 30 April 2026) ⁽¹⁾	165	2	5	37	-	209
Acting Insurance Commissioner (from 3 November 2025) ⁽¹⁾	237	4	5	26	-	272
General Manager MAIC	223	5	6	29	-	263
General Manager Innovation and Delivery ⁽²⁾	-	-	-	-	-	-
General Manager Business and Advisory Services ⁽²⁾	-	-	-	-	-	-

- (1) The previous Insurance Commissioner was on extended leave from 3 November 2025 to 30 April 2026. During this time, the current Acting Insurance Commissioner served in the role on an interim basis.
- (2) This is a NIISQ position, and the remuneration is disclosed in the NIISQ financial statements. Under the tripartite memorandum of understanding between NIISQ, MAIC and ND, the position oversees the function across the three agencies.

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

17. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES – continued

1 July 2024 to 30 June 2025

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	334	5	9	42	-	390
General Manager MAIC	224	5	6	28	-	263
General Manager Innovation and Delivery ⁽¹⁾	-	-	-	-	-	-
General Manager Business and Advisory Services ⁽¹⁾	-	-	-	-	-	-

- (1) This is a NIISQ position, and the remuneration is disclosed in the NIISQ financial statements. Under the tripartite memorandum of understanding between NIISQ, MAIC and ND, the position oversees the function across the three agencies.

Performance Payments

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

18. RELATED PARTY TRANSACTIONS

Transactions with people/entities related to KMP

During the financial year there were no transactions with people or entities related to KMPs of 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 has a corporate support services tripartite memorandum of understanding (MOU) in place with the ND and the NIISQ 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**).

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

18. RELATED PARTY TRANSACTIONS – Continued.

During the financial year, MAIC provided grant funding:

- \$3,518,000 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**).
- \$826,000 to DTMR to support research for Road Safety Data Bureau and Transport Academic Partnership (**Note 6**).
- \$2,284,000 to Metro North Hospital and Health Services for supporting the Jamieson Trauma Institute and a Trauma fellow position (**Note 6**).
- \$1,796,000 to Queensland Health for Retrieval Services Qld to increase research and data analytics, Townsville Hospital and Health Services for a Trauma Connect pilot and Gold Coast University Hospital for trauma review and RACCS position funding (**Note 6**).

19. AGENCY TRANSACTIONS

MAIC receives Hospital and Emergency Services Levy amounts from DTMR on gross insurance premiums on behalf of Queensland Health (QH), Queensland Fire Department (QFD), and QPS. 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, QFD and QPS during the current year have not been included as revenue in the Statement of Comprehensive Income as these amounts are not controlled. Similarly, remittances made to these agencies have not been included as expenses.

Type of Levy	Levies collected from DTMR		Contributions paid to QH, QFD and QPS		Outstanding levies for remittance to QH, QFD and QPS	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Levies collected but not remitted in the previous year	5,447	5,711	-	-	-	-
Hospital levy	51,787	40,624	(50,536)	(40,640)	5,906	4,655
Emergency Services levy - QFD	2,990	2,392	(2,910)	(2,408)	352	272
Emergency Services levy - QPS	4,772	4,811	(4,748)	(5,044)	544	520
Total	64,996	53,538	(58,194)	(48,092)	6,802	5,447

Motor Accident Insurance Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

20. TAXATION

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

21. 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 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 MAIC for the first time in 2025-26 have any material impact on the financial statements.

22. CLIMATE RISK DISCLOSURE

MAIC 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.

MAIC continues to monitor the emergence of material climate-related risks that may impact the financial statements, including Queensland Government climate-related policies or directives.

No adjustments to the carrying value of assets were recognised during the financial year because 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.

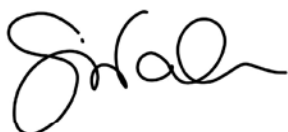
MANAGEMENT CERTIFICATE

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 Motor Accident Insurance Commission (MAIC) for the financial year ended 30 June 2026 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.



G Walker

Acting Insurance Commissioner

28 August 2026



R McLean, CA

General Manager, Business and Advisory Services

28 August 2026

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 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

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.

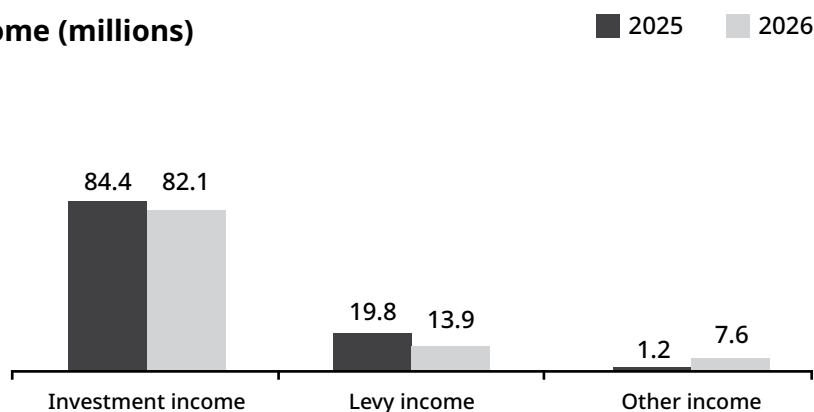
Gross claims rose to \$72.1 million, mainly due to higher actuarially assessed claim provisions, partly offset by \$7.6 million in recoveries.

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

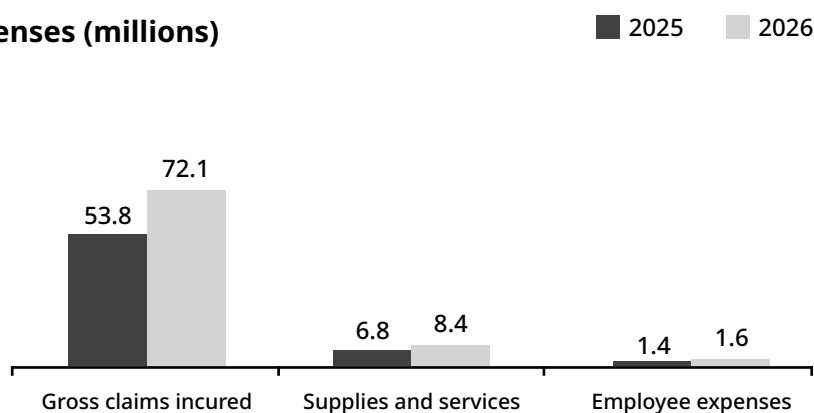
Investment gains were \$82.1 million, down from \$84.4 million, reflecting more modest equity market returns.

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

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.

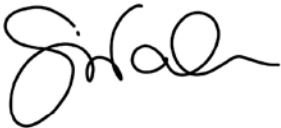
MANAGEMENT CERTIFICATE

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.



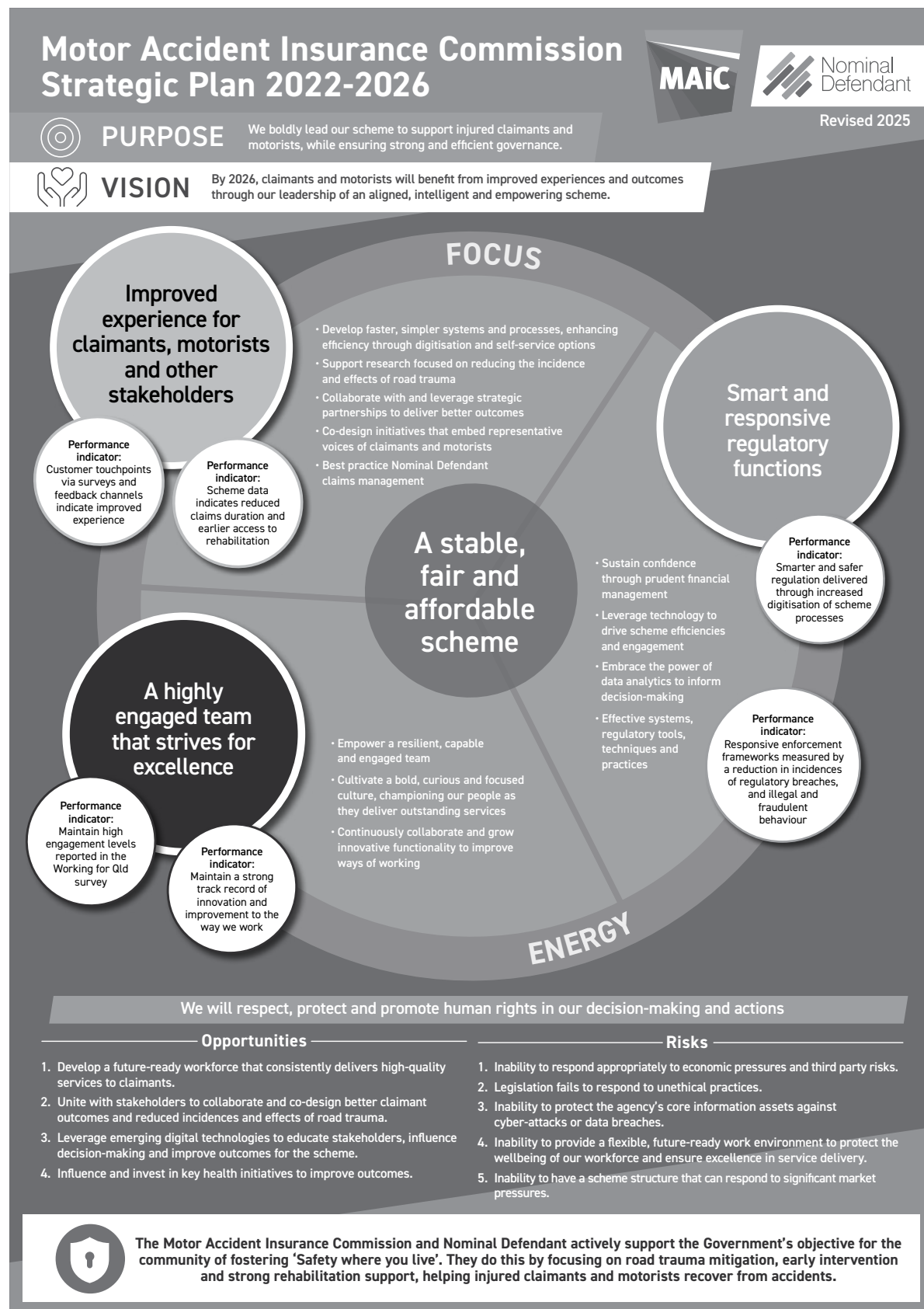
William Cunningham
as delegate of the Auditor-General

28 August 2026

Queensland Audit Office
Brisbane

Appendices

Appendix 1: Strategic plan 2022–2026



Appendix 2: Actuarial certificate, Nominal Defendant Fund

Actuarial Certificate Queensland Nominal Defendant Fund Outstanding Claims Liability as at 30 June 2026

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 2026 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 2026 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 2026 is \$187.4 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
28 July 2026

Arie van den Berg

QUEENSLAND TREASURY

State Actuary's Office
28/07/2026



Appendix 3: Licensed insurers

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

Appendix 4: Performance statement (SDS)

Service standards	2025–26 Target/Est.	2025–26 Actual	2026–27 Target/Est.
Effectiveness measures			
Highest annual CTP insurance premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings	<45%	21%	<45%
Percentage of Nominal Defendant managed claims finalised compared to the number outstanding at the start of the financial year	50%	50%	50%
Percentage of total premiums collected, paid to claimants ³	>60%	73%	>60%
Efficiency measure			
Motor Accident Insurance Commission enquiry line cost per hour	\$117	\$113	\$115

Appendix 5: Grants

Table 1: Breakdown of initiatives funded in 2025–26 and 2024–25

Organisation		2025-26 \$'000	2024-25 \$'000
Spinal Life Australia	Brisbane Healthy Living Centre	10,000	0
Police Citizens Youth Welfare Association (PCYC Queensland)	Braking the Cycle program	4,428	3,637
Road Trauma Mitigation Fund	Reduce claims frequency and support <i>Queensland Road Safety Strategy and Action Plan 2022-24</i>	3,518	3,623
Metro North Hospital and Health Service	Jamieson Trauma Institute	2,191	2,164
University of Queensland	RECOVER Injury Research Centre	1,738	1,671
MAIC/University of Sunshine Coast Road Safety Research Collaboration	Drug Driving Research Unit	1,352	1,305
Griffith University	BioSpine	1,325	1,324
MAIC/QUT Road Safety Research Collaboration	MAIC QUT Road Safety Research Collaboration (formerly CARRS-Q)	1,186	1,163
University of Sunshine Coast	Road Safety Research Collaboration	1,096	1,076
Griffith University	Road Safety Research Collaboration	938	473
Department of Transport and Main Roads	Road Safety Data Bureau	760	674
Retrieval Services Queensland	Pilot additional research and data analytics positions	711	0
Townsville Hospital and Health Service	Trauma Connect	507	634
University of Queensland	Professorial Fellowship in Traumatic Brain Injury Research at the Queensland Brain Institute (2021–2027)	441	421
Spinal Life Australia	Back2Work – vocational rehabilitation project	406	573
Gold Coast University Hospital	Trauma and Rehabilitation Research Coordinators	374	0
Children's Health Queensland Hospital and Health Service and University of Queensland	Partnership funding to establish a Queensland Chair in Paediatric Rehabilitation (2022-2027)	339	328
Queensland University of Technology	Data Linkage Fellowship	229	257

Table 1: Breakdown of initiatives funded in 2025–26 and 2024–25 (cont)

Organisation		2025-26 \$'000	2024-25 \$'000
University of Queensland	ABIN Fellowship	227	285
Gold Coast University Hospital	Trauma Service Follow Up	204	0
Queensland University of Technology	Navigating Injured patient journeys through Emergency care to Recovery (NINJER)	203	219
Transport for New South Wales	Motorcycle Protective Clothing testing initiative	130	117
The Prince Charles Hospital	ICU of the future	122	122
iMOVE Australia Limited	Let's End Rear Ends - Smart Bumper Sticker	119	0
Emergency Medicine Foundation	Support research grants program for trauma and emergency care in regional, rural and remote Queensland	115	115
Metro North Hospital and Health Service – Jamieson Trauma Institute	Trauma fellowship	93	89
University of Queensland	PREDICT-TBI	80	0
Department of Transport and Main Roads	Transport Academic Partnership (TAP) (2025-2030)	66	68
MAIC/University of Sunshine Coast Road Safety Research Collaboration	Reducing drink driving through peer support: resources for young people in regional Queensland	49	105
Griffith University	Spinal Cord Therapy research	0	3,563
The University of Queensland	Road Trauma Patients – promoting recovery, repair and rehabilitation	0	403
Metro North Hospital and Health Service – Jamieson Trauma Institute	RITA: Rehabilitation, Innovation and Technology Assessment Service	0	372
The University of Queensland - Recover Injury Research Centre	Innovative Solutions for Treating Driving Phobia using Virtual Reality	0	324
University of Queensland – Recover Injury Research Centre	STRESSMODEX for inpatient care following orthopaedic road trauma	0	294
Police Citizens Youth Welfare Association (PCYC Queensland)	Changing Gears program in Napranum, Yarrabah and Palm Island	0	284
MAIC/QUT Road Safety Research Collaboration	Talking Tailgating - community conversations about what tailgating is and how to remedy it	0	270

Table 1: Breakdown of initiatives funded in 2025–26 and 2024–25 (cont)

Organisation		2025-26 \$'000	2024-25 \$'000
University of Sunshine Coast	Speed compliance project	0	220
Department of Transport and Main Roads	Young Drivers and Heavy Vehicles Pilot	0	203
Griffith University	Q-Ride Motorcycle Evaluation	0	200
University of Queensland – Recover Injury Research Centre	RISE – an innovative text messaging intervention pilot study	0	176
MAIC/QUT Road Safety Research Collaboration	Designing and evaluating prosocial driving behaviours to enhance road safety	0	137
Metro North Hospital and Health Service – Jamieson Trauma Institute	Stop the Bleed enhancement and evaluation	0	100
Metro North Hospital and Health Service – Jamieson Trauma Institute	Pelvic Trauma improvement program Phase 1	0	87
Metro North Hospital and Health Service – Jamieson Trauma Institute	Optimising management of Open Tibia Fractures	0	85
University of Queensland	Older Drivers Assessment	0	75
Department of Transport and Main Roads	ARC Training Centre for Automated Vehicles and Remote Regions	0	25
Total Funding		32,948	27,263

Table 2: Breakdown of grant refunds in 2025–26 and 2024–25

		2025-26 \$'000	2024-25 \$'000
Road Trauma Mitigation Fund	Reduce claims frequency and support <i>Queensland Road Safety Action Plan 2022–25</i>	(241)	(317)
Police Citizens Youth Welfare Association (PCYC Queensland)	Braking the Cycle	(202)	0
Police Citizens and Youth Welfare Association	Changing Gears	(109)	0
Queensland University of Technology	Braking the Cycle evaluation	(15)	0
Metro North Hospital and Health Service – Jamieson Trauma Institute	Trauma fellowship	(8)	0
Emergency Medicine Foundation	Emergency Medicine Foundation	(4)	0
Metro North Hospital and Health Service	Cliff Pollard Fellowship	0	(131)
Griffith University	The Hopkins Centre	0	(131)
University of Queensland	UQ RECOVER	0	(102)
Spinal Life Australia	Back2Work Program	0	(87)
University of Queensland	QBI fellowship	0	(53)
Department of Justice	Licensing and ID Muster	0	(28)
Queensland University of Technology	Recidivist drivers study	0	(24)
Metro North Hospital and Health Service	EMF regional trauma research	0	(13)
Griffith University	First Peoples CTP	0	(5)
Total Funding Returned		(579)	(891)

Research centres/Collaborations

The five Commission-funded research centres and collaborations, RECOVER and Jamieson Trauma Institute and the MAIC Road Safety Research Collaborations (QUT, Griffith University and UniSC) submit six monthly activity and financial reports. These reports detail the research conducted within the centres, as well as projects funded through other competitive grants processes.

Further information on their research and activities is available by visiting:

- <https://recover.centre.uq.edu.au/>
- <https://metronorth.health.qld.gov.au/jamieson-trauma-institute/>
- <https://research.qut.edu.au/mqcollab/>
- <https://www.griffith.edu.au/griffith-health/school-applied-psychology/research/maic-griffith-university-road-safety-research-collaboration>
- <https://www.unisc.edu.au/about/structure/schools/school-of-law-and-society/maicunisc-road-safety-research-collaboration>

Appendix 6: 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 7: 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 Glossary	ARRs — section 9.1	Table of contents — Page 3 Appendix 6: Glossary — Page 92
	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	Our contribution to government objectives for the community — Page 6
	Agency objectives and performance indicators	ARRs — section 11.2	Performance — Page 8
	Agency service areas and service standards	ARRs — section 11.3	Report card — Page 9
Financial performance	Summary of financial performance	ARRs — section 12.1	Financial: Summary of financial performance — Pages 21 and 48
Governance — management and structure	Organisational structure	ARRs — section 13.1	Organisational structure — Page 16
	Executive management	ARRs — section 13.2	Our leadership team — Page 15
	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	Our people — Page 14
	Human Rights	<i>Human Rights Act 2019</i> ARRs — section 13.5	Human Rights — Page 14
	Queensland public service values	ARRs — section 13.6	Our values — Page 14

Summary of requirement		Basis for requirement	Annual report reference
Governance — risk management and accountability	Risk management	ARRs — section 14.1	Risk management — Page 17
	Audit committee	ARRs — section 14.2	Audit and Risk Management Committee — Page 17
	Internal audit	ARRs — section 14.3	Internal and external accountability — Page 18
	External scrutiny	ARRs — section 14.4	Internal and external accountability — Page 18
	Information systems and records management	ARRs — section 14.5	Information systems and records management — Page 18
	Information security attestation	ARRs — section 14.6	Information security attestation — Page 18
Governance — human resources	Strategic workforce planning and performance	ARRs — section 15.1	Our people — Page 14
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs — section 15.2	Our people — Page 14
Open Data	Statement advising publication of information	ARRs — section 16	Statistics — Page 19
	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 45 and 80
	Independent auditor's report	FAA — section 62 FPMS — section 46 ARRs — section 17.2	Independent auditor's report — Pages 46 and 81

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

QGEA *Queensland Government Enterprise Architecture*

