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## To the Chair Motor Accident Commission

### Opinion

I have audited the financial report of the Motor Accident Commission for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Motor Accident Commission as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, Motor Accident Commission and the Chief Financial Officer, South Australian Government Financing Authority.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and 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 Motor Accident Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

### **Responsibilities of the Board of Directors for the financial report**

The Board of Directors is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 28(3) of the *Motor Accident Commission Act 1992*, I have audited the financial report of the Motor Accident Commission for the financial year ended 30 June 2024.

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 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.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Motor Accident Commission's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

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



Andrew Blaskett  
**Auditor-General**

17 September 2024

# **Motor Accident Commission**

**Financial Statements  
for the year ended 30 June 2024**

**MOTOR ACCIDENT COMMISSION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

		MAC Fund		Consolidated	
	Note	2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Investment revenue and expense	6	2,516	4,424	2,516	4,445
Investment management fee		(375)	(613)	(375)	(613)
Gain on reinsurance		2,011	2,997	2,011	2,997
<b>Net investments</b>		<b>4,152</b>	<b>6,808</b>	<b>4,152</b>	<b>6,829</b>
Management expenses		(286)	(338)	(286)	(266)
Road Safety expenses	5	-	-	-	(1,480)
Other expenses	4	-	(59)	-	(75)
<b>Total expenses</b>		<b>(286)</b>	<b>(397)</b>	<b>(286)</b>	<b>(1,821)</b>
Road Safety revenue	5	-	-	-	22
Other income	4	-	1,485	-	-
<b>Total revenue</b>		<b>-</b>	<b>1,485</b>	<b>-</b>	<b>22</b>
<b>Net Gain/(Loss)</b>		<b>(286)</b>	<b>1,088</b>	<b>(286)</b>	<b>(1,799)</b>
<b>Net result before market value movements</b>		<b>3,866</b>	<b>7,896</b>	<b>3,866</b>	<b>5,030</b>
Investment market value movements	6	(433)	13	(433)	13
<b>Net result</b>		<b>3,433</b>	<b>7,909</b>	<b>3,433</b>	<b>5,043</b>
<b>Total comprehensive result</b>		<b>3,433</b>	<b>7,909</b>	<b>3,433</b>	<b>5,043</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**MOTOR ACCIDENT COMMISSION  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Note	MAC Fund		Consolidated	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current Assets</b>					
Cash and cash equivalents	17	11,322	30,655	11,322	30,655
Receivables	7	67	76	67	76
Reinsurance and other recoveries receivable	8	207	275	207	275
Other financial assets	9	-	98,802	-	98,802
Reinsurance asset		34,658	46,001	34,658	46,001
Prepayments		2,928	3,887	2,928	3,887
<b>Total Current Assets</b>		<b>49,182</b>	<b>179,696</b>	<b>49,182</b>	<b>179,696</b>
<b>Non-Current Assets</b>					
Reinsurance and other recoveries receivable	8	697	918	697	918
Reinsurance asset		96,837	146,276	96,837	146,276
Prepayments		8,172	12,355	8,172	12,355
<b>Total Non-Current Assets</b>		<b>105,706</b>	<b>159,549</b>	<b>105,706</b>	<b>159,549</b>
<b>Total Assets</b>		<b>154,888</b>	<b>339,245</b>	<b>154,888</b>	<b>339,245</b>
<b>Current Liabilities</b>					
Payables		156	192	156	192
Other financial liabilities	10	-	111,971	-	111,971
Outstanding claims	11	37,586	49,887	37,586	49,887
Deferred revenue		1,719	1,983	1,719	1,983
Reinsurance and other recoveries payable	8	207	275	207	275
<b>Total Current Liabilities</b>		<b>39,668</b>	<b>164,308</b>	<b>39,668</b>	<b>164,308</b>
<b>Non-Current Liabilities</b>					
Outstanding claims	11	105,009	158,631	105,009	158,631
Deferred revenue		6,081	7,828	6,081	7,828
Reinsurance and other recoveries payable	8	697	918	697	918
<b>Total Non-Current Liabilities</b>		<b>111,787</b>	<b>167,377</b>	<b>111,787</b>	<b>167,377</b>
<b>Total Liabilities</b>		<b>151,455</b>	<b>331,685</b>	<b>151,455</b>	<b>331,685</b>
<b>Net Assets</b>		<b>3,433</b>	<b>7,560</b>	<b>3,433</b>	<b>7,560</b>
<b>Equity</b>					
Retained earnings		3,433	7,560	3,433	7,560
<b>Total Equity</b>		<b>3,433</b>	<b>7,560</b>	<b>3,433</b>	<b>7,560</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

**MOTOR ACCIDENT COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	MAC Fund		Consolidated	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Cash Flows from Operating Activities</b>					
Reinsurance premium paid to NICO		(100,000)	-	(100,000)	-
Reinsurance premium interest paid to NICO		(12,060)	-	(12,060)	-
Withholding tax payment to the ATO		(1,335)	-	(1,335)	-
Funds received from Motor Accident Commission Administration fund		-	1,485	-	-
Payment to Department for Infrastructure and Transport for Road Safety fund		-	-	-	(1,480)
Other cash payments in the course of operations		(349)	(403)	(349)	(403)
Interest and other investment income		2,114	109	2,114	151
GST refunded from the ATO		21	28	21	28
<b>Net Cash inflows / (outflows) from Operating Activities</b>	17	<b>(111,609)</b>	<b>1,219</b>	<b>(111,609)</b>	<b>(1,704)</b>
<b>Cash Flows from Investing Activities</b>					
Funds received from redemption of investments		99,836	29,099	99,836	29,099
<b>Net Cash inflows from Investing Activities</b>		<b>99,836</b>	<b>29,099</b>	<b>99,836</b>	<b>29,099</b>
<b>Cash Flows from Financing Activities</b>					
Return of capital		(7,560)	-	(7,560)	-
<b>Net Cash outflows from Financing Activities</b>		<b>(7,560)</b>	<b>-</b>	<b>(7,560)</b>	<b>-</b>
Net change in cash held		(19,333)	30,318	(19,333)	27,395
Cash at the beginning of the year		30,655	337	30,655	3,260
<b>Cash at the end of the year</b>	2(k),17	<b>11,322</b>	<b>30,655</b>	<b>11,322</b>	<b>30,655</b>

The accompanying notes form part of these financial statements.

**MOTOR ACCIDENT COMMISSION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	MAC Fund \$'000	Consolidated \$'000
Balance at 30 June 2022		(349)	2,517
Total comprehensive result for 2022-23		7,909	5,043
Return of capital for 2022-23	15	-	-
Balance at 30 June 2023		7,560	7,560
Total comprehensive result for 2023-24		3,433	3,433
Return of capital for 2023-24	15	(7,560)	(7,560)
Balance at 30 June 2024		<u>3,433</u>	<u>3,433</u>

The accompanying notes form part of these financial statements. The net result and total comprehensive result is attributable to the SA Government as owner.



# MOTOR ACCIDENT COMMISSION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2024

#### 1 ACTIVITIES OF THE MOTOR ACCIDENT COMMISSION

During the year ended 30 June 2024, the principal activities of the Motor Accident Commission (Motor Accident Commission and / or the Commission) were:

- (a) To manage the run off of claims against policies issued up to and including 30 June 2016. From 1 July 2016, the SA Government opened the provision of CTP insurance in South Australia to the private sector. Accordingly, Motor Accident Commission no longer has a role as a provider of CTP insurance in South Australia and ceased writing new CTP insurance policies from this date. However, Motor Accident Commission will continue its role as Nominal Defendant (for claims up until 31 December 2016) and run off its claims against policies issued up to and including 30 June 2016.
- (b) On 7 December 2018 a deed of Reinsurance and Agency was executed between Motor Accident Commission and the National Indemnity Company (NICO) transferring the risks associated with the outstanding claims portfolio.
- (c) Up to 30 June 2019, to lead in road safety behaviour change and education, with responsibility for managing SA's road safety communications program. As part of this role, Motor Accident Commission promoted road safety awareness through non-commercial programs, including sponsorship of road safety research, partnerships and the delivery of communications aimed at safer road user behaviour. From 1 July 2019 the South Australian Police and the Department for Infrastructure and Transport are responsible for road safety activities. Legacy road safety funds were transferred to the Department for Infrastructure and Transport in 2022-23.

#### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of Preparation

The financial statements are general purpose financial statements prepared in compliance with:

a. Section 23 of the *Public Finance and Audit Act 1987*; and

b. Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

The financial statements have been prepared with Motor Accident Commission being treated as a Not for Profit entity. The financial report for the Motor Accident Commission consists of the Motor Accident Commission Fund and the consolidated financial statements which includes the Road Safety Fund for the year ended 30 June 2024 and are prepared for the same reporting period, using consistent accounting policies. The Motor Accident Commission CTP Fund formerly established by the Commission continues in existence as the Motor Accident Commission Fund per section 25 of the Motor Accident Commission Act 1992 and all intra-group balances, transactions, income and expenses are eliminated in full.

2023-24 will be the final year Motor Accident Commission prepares consolidated statements, as the Road Safety and Administration Fund were collapsed in 2022-23 and are being presented this financial year for comparative purposes only.

##### (b) Investment Income

Fees and discounts are amortised over the period to which they relate. Interest is taken to income on an earned basis. Investment income is reported after deducting costs and expenses relating to management, operation and maintenance of the investment portfolio.

##### (c) Deferred Revenue

Revenue associated with reinsurance arrangements has been deferred and will be recognised as revenue when related services are rendered.

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Claims**

A liability for outstanding claims is recognised in respect of the direct insurance and inwards reinsurance businesses. The liability covers claims reported but not yet paid, incurred but not reported (IBNR) claims, the anticipated direct and indirect costs of settling those claims and estimated reinsurance and other insurance recoveries. Claims outstanding are based on average or individual claim file estimates, with IBNRs and settlement costs calculated using statistics from past experience and trends.

- a. CTP Claims - The liability for outstanding CTP claims is measured as the present value of the expected future payments. These payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal and superimposed inflation. The expected future payments are discounted to present value at balance date and a margin is included to provide sufficient confidence that the provision is adequate. The outstanding claims liability is subject to actuarial assessment.

A risk margin is added to the outstanding claims provision to increase the probability that the net liability is adequately provided to a sufficiency level of 80%.

- b. Other Claims - In the insurance and inwards reinsurance businesses, delays occur in the notification of information normally used in the calculation of claims provisions. The Directors, having due consideration for the nature of the risks involved and any material event that would adversely affect the operating results, have provided an amount for claims in the financial statements that is sufficient to cover known events and at the same time, assist to maintain prudential reserves.

**(e) Prepayments**

Claims handling expenses paid which are attributable to reinsurance activities are deferred and recognised as an asset, to the extent that they can be identified separately, measured reliably and it is probable that they will be recovered from future margins.

**(f) Reinsurance and Other Recoveries Receivable**

Reinsurance and other recoveries receivable on paid claims, reported claims not yet paid and IBNRs are recognised as revenue. Recoveries receivable used in the calculation of claims provisions are brought to account where they can be reliably measured. Recoveries receivable are assessed in a manner similar to the assessment of outstanding claims.

**(g) Other Financial Assets**

*AASB 1023: General Insurance Contracts* requires that assets backing insurance liabilities are to be measured at fair value with any changes in value taken to the Statement of Comprehensive Income. All assets of an investment nature held by the Motor Accident Commission Fund are considered to be for the purpose of backing insurance liabilities.

- a. Unit Trusts - Motor Accident Commission's investment portfolio was held with Funds SA, the State Government investment body, Lanyon Asset Management and Bendigo Income Generation Fund. These investments were held via unit trusts in a range of asset classes. Market quotations were used as the valuation basis for these units.

Other Financial Assets have been classified as current given the ability to redeem investments/funds within a short period of time if required.

There is no impairment loss on other financial assets due to the rating of the counterparties.

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Reinsurance Assets**

Reinsurance assets represent balances due from NICO. Amounts recoverable are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurance contract. Reinsurance assets are reviewed for impairment at each reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Motor Accident Commission may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amount that Motor Accident Commission will receive from NICO. The impairment loss is recorded in the Statement of Comprehensive Income. Ceded reinsurance arrangements do not relieve Motor Accident Commission from its obligations to settle outstanding claims.

**(i) Taxation**

Motor Accident Commission is an income tax exempt organisation pursuant to Section 24AK of the *Income Tax Assessment Act 1936*.

Motor Accident Commission is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- a. When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- b. Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST which is payable to the ATO is disclosed separately.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitment and contingencies are disclosed on a gross basis.

**(j) Payables**

Payables include creditors, accrued expenses, and GST payable.

Payables represent the amounts owing for goods and services received prior to the end of the reporting period and that are unpaid at the end of the reporting period. Payables include all unpaid invoices received relating to the normal operations of Motor Accident Commission.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or the date the invoice is first received.

The carrying amount of payables approximates fair value due to amounts owing being payable on demand.

**(k) Cash**

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call.

**(l) Rounding**

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**3 CHANGES IN ACCOUNTING POLICIES**

The Commission has not adopted any new accounting standards or amendments to standards, applicable to annual reporting periods commencing on or after 1 January 2023.

The following accounting standard has been issued but is not yet effective. The standard has not been early adopted by the Commission and the Commission continues to assess the potential impact.

**AASB 17 Insurance Contracts**

AASB 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts issued with discretionary participation features. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of AASB 17 have on the financial position, financial performance and cash flows of the entity.

In December 2022 the AASB published AASB 2022-9: *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*. This states that AASB 17 for public sector entities applies to annual reporting periods beginning on or after 1 July 2026. The Commission expects to apply AASB 17 in 2026-27 and is yet to determine its impact.

There are no other standards that are not yet effective and that would be expected to have a material impact on Motor Accident Commission in the current or future reporting periods and on foreseeable future transactions.

**4 NET RESULT**

	MAC Fund		Consolidated	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net result is arrived at after crediting and charging the following specific items:				
<b>Credits</b>				
Interest received/receivable	2,104	184	2,104	227
	<b>2,104</b>	<b>184</b>	<b>2,104</b>	<b>227</b>
<b>Other income</b>				
Funds received from Motor Accident Commission Administration Fund	-	1,485	-	-
<b>Total other income</b>	<b>-</b>	<b>1,485</b>	<b>-</b>	<b>-</b>
<b>Charges</b>				
Other expenses	-	(2)	-	(2)
Bad debts	-	(57)	-	(73)
	<b>-</b>	<b>(59)</b>	<b>-</b>	<b>(75)</b>

On 13 December 2022, the Treasurer approved the collapse of the Administration fund by consolidating MAC's cash balance by transferring \$1.485 million from the Motor Accident Commission Account to the Motor Accident Commission Fund and the closure of the Motor Accident Commission Account. The balance consisted of unspent Motor Accident Commission operating funds that were initially funded through CTP Insurance Premiums paid by motorists. The funds will be used to maintain a sufficient solvency level in the Motor Accident Commission Fund. This transaction reflects as other income in the 2023 financial year.

Several legacy items deemed unrecoverable were treated as bad debts.

**Expenditure - SA Business and Non-SA Business**

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 - Procurement. Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

<b>Charges</b>	2024 \$'000	Proportion SA and non-SA businesses
Total expenditure with South Australian businesses	6	0.0%
Total expenditure with non-South Australian businesses	112,144	100.0%
<b>Total Expenditure</b>	<b>112,150</b>	<b>100.0%</b>

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Commission, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

**MOTOR ACCIDENT COMMISSION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**5 ROAD SAFETY**

	MAC Fund		Consolidated	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Road Safety revenue				
Interest received	-	-	-	22
<b>Total Road Safety revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22</b>
<b>Total Road Safety expenses</b>				
Payment to Department for Infrastructure and Transport	-	-	-	(1,480)
<b>Total Road Safety expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,480)</b>
<b>Net Road Safety</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,458)</b>

From 1 July 2019, Motor Accident Commission no longer performs the Road Safety function, refer Note 1(c). From 1 July 2022, the Motor Accident Commission continued to hold Road Safety funds, in a bank account, hence the interest income. On 13 December 2022, the Treasurer approved the collapse of the Road Safety operational fund. Subsequently the Road Safety bank account closed with funds transferred to the Department for Infrastructure and Transport to provide funding towards road safety programs.

**6 INVESTMENTS**

**Investment revenue and expense**

Fund distribution	412	4,240	412	4,240
Interest received	2,104	184	2,104	205
<b>Total Investment revenue and expense</b>	<b>2,516</b>	<b>4,424</b>	<b>2,516</b>	<b>4,445</b>

**Investment market value movements**

Credit Securities	952	1,365	952	1,365
Equities	(76)	731	(76)	731
Other	(1,309)	(2,083)	(1,309)	(2,083)
<b>Total Investment market value movements</b>	<b>(433)</b>	<b>13</b>	<b>(433)</b>	<b>13</b>

**Total Investments**

<b>2,083</b>	<b>4,437</b>	<b>2,083</b>	<b>4,458</b>
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**7 RECEIVABLES**

**Current**

GST Receivable	2	-	2	-
Accrued Interest	65	76	65	76
<b>Total Current Receivables</b>	<b>67</b>	<b>76</b>	<b>67</b>	<b>76</b>

**8 REINSURANCE AND OTHER RECOVERIES RECEIVABLE**

Expected future recoveries (undiscounted)	1,034	1,370	1,034	1,370
Discount to present value	(130)	(177)	(130)	(177)
<b>Reinsurance and other recoveries receivable</b>	<b>904</b>	<b>1,193</b>	<b>904</b>	<b>1,193</b>
<b>Reinsurance and other recoveries receivable</b>				
- Current	207	275	207	275
- Non-current	697	918	697	918
<b>Total Reinsurance and other recoveries receivable</b>	<b>904</b>	<b>1,193</b>	<b>904</b>	<b>1,193</b>

**MOTOR ACCIDENT COMMISSION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**9 OTHER FINANCIAL ASSETS**

	MAC Fund		Consolidated	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Unit Trusts				
- Units in Unlisted Trusts - Funds SA	-	10,024	-	10,024
- Bendigo Income Generation Fund	-	81,879	-	81,879
- Lanyon Global Value Fund	-	2,832	-	2,832
- Lanyon Australian Value Fund	-	2,581	-	2,581
- Lanyon Australian Share Fund	-	1,486	-	1,486
<b>Total Current Other Financial Assets</b>	<b>-</b>	<b>98,802</b>	<b>-</b>	<b>98,802</b>

Other Financial Assets have decreased from \$98.8m in the 2023 financial year to Nil in the current year. These assets were fully redeemed to form part of funding the retained premium payment for NICO in January 2024.

**10 OTHER FINANCIAL LIABILITIES**

<b>Current</b>				
Retained premium - NICO	-	111,971	-	111,971
<b>Total Current Other Financial Liabilities</b>	<b>-</b>	<b>111,971</b>	<b>-</b>	<b>111,971</b>

The retained premium was paid to NICO in January 2024.

**11 OUTSTANDING CLAIMS**

(a) Expected future claims payments (undiscounted)	139,830	209,569	139,830	209,569
Risk margin applied (undiscounted)	33,170	41,461	33,170	41,461
Discount to present value - central estimate	(24,564)	(35,487)	(24,564)	(35,487)
Discount to present value - risk margin applied	(5,841)	(7,025)	(5,841)	(7,025)
<b>Liability for outstanding claims</b>	<b>142,595</b>	<b>208,518</b>	<b>142,595</b>	<b>208,518</b>
Current	37,586	49,887	37,586	49,887
Non-current	105,009	158,631	105,009	158,631
<b>Liability for outstanding claims</b>	<b>142,595</b>	<b>208,518</b>	<b>142,595</b>	<b>208,518</b>

On 1 July 2013, a new South Australian CTP Scheme came into effect. The New Scheme embodies a series of scheme reforms designed to improve the Scheme's affordability, deliver a consistent compensation system for those injured in a motor vehicle crash and promote optimal recovery for injured people.

Old Scheme	85,611	120,883	85,611	120,883
New Scheme	56,984	87,635	56,984	87,635
<b>Liability for outstanding claims</b>	<b>142,595</b>	<b>208,518</b>	<b>142,595</b>	<b>208,518</b>

(b) The following average inflation rates (normal and superimposed) rates and discount rates were used in the measurement of outstanding claims:

For the succeeding year				
- Inflation rate	5.45%	5.45%	5.45%	5.45%
- Discount rate	4.20%	4.10%	4.20%	4.10%
For subsequent years				
- Inflation rate	5.45%	5.45%	5.45%	5.45%
- Discount rate	4.20%	4.10%	4.20%	4.10%

(c) The weighted average expected term to settlement of the outstanding claims from balance date is estimated to be:

4.3 years	4.3 years	4.3 years	4.3 years
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**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**11 OUTSTANDING CLAIMS (CONTINUED)**

The method of calculating outstanding claims is set out in detail in Note 2(d).

The claims provision for the Motor Accident Commission Fund as at 30 June 2024 has been reviewed by the Fund Actuary, Daniel Smith, FIAA of Finity Consulting Pty Limited. The directors have adopted a central estimate plus a risk margin as determined by the Actuary to achieve an 80% probability that the provision will prove adequate. An overall risk margin of 24% (2023:20%) has been applied and is derived using the framework established by the Actuaries Institute. As Motor Accident Commission only includes one class of insurance, no allowance has been made for diversification of insurance classes.

**Sensitivity analysis**

There is considerable uncertainty inherent in the estimation of the outstanding claims liability and in particular there is uncertainty arising from:

- a. Effective 1 July 2019, claims management was transferred from Allianz to BHCTPSA. While BHCTPSA employed several former Motor Accident Commission and Allianz staff, the transfer may affect the management of open claims. This may increase the uncertainty associated with the valuation results.
- b. The Motor Accident Commission Scheme now being in run-off. It is possible that claims development patterns may change now that Motor Accident Commission has ceased underwriting new business. This could be due to differences that emerge in terms of claims management and also the potential for the external claims environment (which is now influenced by the private sector insurers who have entered the market from 1 July 2016) having an impact on Scheme performance.
- c. The actual impact of the CTP legislative changes effective 1 July 2013 (i.e. "New Scheme") and the commencement of the Lifetime Support Scheme from 1 July 2014. The key risks include:
  - Estimating the claims frequency and number of claim settlements.
  - Estimating the impact of tort reform on the ultimate cost of claims.
- d. Large claims, given their potential to cause significant one-off effects on the valuation and the difficulty in estimating future large claims experience, particularly as the Scheme goes further into run-off. The claims which are harder to resolve will become a greater proportion of the overall liability.
- e. Future inflation and superimposed inflation. While the claims environment has been benign for some years, it is possible for some level of claims cost escalation to emerge as service providers (particularly solicitors) adjust to the New Scheme environment, and as the new market participants start to exert influence on the market overall.

The relative financial sensitivity of the outstanding claims provision to changes in the key valuation assumptions is illustrated in the following table. The sensitivities shown should not be considered to be equally probable, nor are they mutually exclusive. Furthermore, they do not represent upper or lower bounds of all possible outcomes.

The sensitivity analysis has been conducted on the outstanding claims provision net of third party recoveries but gross of reinsurance.

**Change in Model parameters**

	Impact on Provision	
	%	\$'000
Change in Valuation Assumption:		
For accidents before 1 July 2013:		
- average size of attritional claims increased by 15%	2.0	2,792
For accidents after 30 June 2013:		
- Cost of attritional claims deteriorates by 5% per half year over the next two years	2.7	3,814
- Average size of Above Cap claims increased by 15%	9.5	13,530
- Above Cap case estimate deteriorates by 5% per half year over the next two years	4.9	6,875
- Discount rate increased from 4.2% to 4.7% p.a.	(1.8)	(2,487)
- Discount rate increased from 4.2% to 3.7% p.a.	1.8	2,600
- Superimposed inflation rate increased from 2.0% to 3.0% p.a.	1.0	1,478
- Superimposed inflation rate decreased from 2.0% to 1.0% p.a.	(1.0)	(1,393)

**MOTOR ACCIDENT COMMISSION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**11 OUTSTANDING CLAIMS (CONTINUED)**

**Claims Development**

Net ultimate claims cost estimate	2015	2016	2017	2018	2019	2020	2021-2024	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At end of accident year	338,287	330,164	-	-	-	-	-	-
One year later	289,240	304,856	-	-	-	-	-	-
Two years later	249,295	284,835	-	-	-	-	-	-
Three years later	232,867	270,931	-	-	-	-	-	-
Four years later	248,772	279,015	8,846	-	-	-	-	-
Five years later	254,889	271,036	9,141	-	-	-	-	-
Six years later	250,145	266,106	9,333	-	-	-	-	-
Seven years later	248,098	259,491	9,488	-	-	-	-	-
Eight years later	245,404	270,566	-	-	-	-	-	-
Nine years later	254,383	-	-	-	-	-	-	-
Current est. of net ultimate claims cost	254,383	270,566	9,488	-	-	-	-	-
Cumulative payments	(239,865)	(245,338)	(9,488)	-	-	-	-	-
Net undiscounted claims liability for the ten most recent accident years	14,518	25,228	-	-	-	-	-	39,746
Discount to present value	(2,848)	(3,993)	-	-	-	-	-	(6,841)
Net discounted claims liability for the ten most recent accident years	11,670	21,235	-	-	-	-	-	32,905

**Reconciliation**

Net discounted claims liability for years 2013/14 and prior	72,497
Claims handling expenses	8,959
Risk margin (inclusive of risk margin on claims handling expenses)	27,330
<b>Net outstanding claims liability, gross of reinsurance</b>	<b>141,691</b>
<b>Net outstanding claims liability, net of reinsurance</b>	<b>11,100</b>
Gross outstanding claims liability on the Statements of Financial Position	142,595
Other recoveries on outstanding claims liability	(904)
Reinsurance on outstanding claims liability	(130,591)
<b>Net outstanding claims liability, net of reinsurance</b>	<b>11,100</b>

Estimated timing of net cash outflows resulting from recognised insurance liabilities is provided below. This is provided instead of a maturity analysis for financial liabilities showing remaining contractual liabilities.

Estimated timing of net cashflows	Up to 1 year	2 - 4 years	5 - 9 years	10 - 14 years	15 - 19 years	20 - 24 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities (including Risk Margin)	37,379	42,154	43,746	13,720	3,819	873	141,691

**12 INSURANCE CONTRACTS RISK MANAGEMENT**

A key risk from operating in the CTP insurance industry is the exposure to insurance risk arising from underwriting CTP insurance contracts. CTP insurance policies transfer risk to the insurer by indemnifying the policyholders against adverse effects arising from the occurrence of specified uncertain future events. The risk is that the actual amount of claims to be paid in relation to CTP insurance policies will be different to the amount estimated at the time CTP premiums are determined. Motor Accident Commission is exposed to this risk because the price for a policy must be set before the losses relating to the insurance cover are known. Hence the insurance business involves inherent uncertainty. Motor Accident Commission also faces other risks relating to the conduct of the CTP insurance business including financial and capital risks.

A fundamental part of the overall risk management strategy is the effective governance and management of the risks that impact the amount, timing and uncertainty of cash flows arising from insurance policies.



# MOTOR ACCIDENT COMMISSION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2024

#### 12 INSURANCE CONTRACTS RISK MANAGEMENT (CONTINUED)

##### Risk Management objectives and policies for mitigating insurance risk

The risk management activities can be broadly separated into insurance risk, claims management and investment management. The objective of these risk management functions is to secure the longer term financial performance of the CTP insurance scheme.

The key policies in place to mitigate risks arising from underwriting CTP insurance policies include the following:

##### (a) Insurance risk

As Motor Accident Commission ceased writing new CTP insurance policies from 1 July 2016, its involvement in premium setting and associated policy pricing risks has been mitigated.

From 1 January 2019 Motor Accident Commission has entered into a reinsurance and agency arrangement with NICO. Reinsurance is placed on outstanding claims against policies issued up to and including 30 June 2016. This reduces the risk that Motor Accident Commission will not have sufficient reserves to cover its liabilities as this risk has been transferred to NICO. Amounts recoverable from NICO are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract. Although Motor Accident Commission has reinsurance arrangements, it is not relieved of its direct obligations to policyholders from its obligations to settle outstanding claims to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

Motor Accident Commission has established a process to regularly monitor performance and it is through this process that risks associated with the reinsurance and agency arrangement are managed and mitigated.

##### (b) Claims management

From 1 July 2019 claims management has been undertaken by NICO. It is Motor Accident Commission's policy to respond and settle claims quickly whenever possible and to pay claims fairly, in accordance with the law and in line with community and Government expectations.

##### (c) Investment management

Assets and liabilities are managed so as to correlate the expected pattern of claims payments with the assets that are held to back insurance liabilities.

#### 13 ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES

##### (a) Categorisation of Financial Instruments

The total carrying amount for all financial assets is equal to the fair value of these assets. All assets held in unit trusts as detailed in Note 9 are classed as level 2 assets being fair values that are based on inputs that are directly or indirectly observable for the assets other than unadjusted quoted price.

##### (b) Derivative Financial Instruments

Derivatives can be defined as financial contracts whose value depend on, or are derived from assets, liabilities, reference rates or indices. Derivatives are used to manage portfolio risk and to facilitate the implementation of investment strategies efficiently and cost effectively. Motor Accident Commission's external investment managers use a variety of derivative instruments, such as over the counter swap agreements, forward rate agreements, futures and options.

Derivatives are an authorised investment within certain mandates managed by Motor Accident Commission's external investment managers, for the purposes described above.

The fair values of all derivative positions as at 30 June 2024 are incorporated within the Statement of Financial Position.

##### (c) Currency Risk

As at 30 June 2024 Motor Accident Commission does not directly hold any international equities and was not exposed to any foreign exchange risk. Motor Accident Commission's external fund manager for the Global Value Fund hedged 100% of this exposure back to Australian dollars.

**MOTOR ACCIDENT COMMISSION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**13 ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES (CONTINUED)**

**(d) Interest Rate Risk**

Interest Rate risk is the risk that movements in interest rates will cause the value of fixed interest securities and the discount rate used to calculate Motor Accident Commission's outstanding liabilities, to deviate from expectations. Motor Accident Commission manages interest rate risk by using an appropriate asset / liability duration matching strategy and ensuring that asset allocations for different investment products are consistent with the time horizon for each. The risk is also managed through the use of specialist external investment managers.

The Motor Accident Commission's exposure to interest rate risk and repricing maturities on financial assets and liabilities at balance date is set out below:

	Consolidated		
	Floating interest rate \$'000	Non- interest bearing \$'000	Total carrying amount \$'000
<b>30 June 2024</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	11,322	-	11,322
Receivables	-	67	67
Other - Unit trust	-	-	-
<b>Total financial assets</b>	<b>11,322</b>	<b>67</b>	<b>11,389</b>
<b>Financial Liabilities</b>			
Payables	-	156	156
Other financial liabilities	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>156</b>	<b>156</b>
<b>Net financial assets</b>	<b>11,322</b>	<b>(89)</b>	<b>11,233</b>

	Consolidated		
	Floating interest rate \$'000	Non- interest bearing \$'000	Total carrying amount \$'000
<b>30 June 2023</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	30,655	-	30,655
Receivables	-	76	76
Other - Unit trust	-	98,802	98,802
<b>Total financial assets</b>	<b>30,655</b>	<b>98,878</b>	<b>129,533</b>
<b>Financial Liabilities</b>			
Payables	-	192	192
Other financial liabilities	-	111,971	111,971
<b>Total financial liabilities</b>	<b>-</b>	<b>112,163</b>	<b>112,163</b>
<b>Net financial assets</b>	<b>30,655</b>	<b>(13,285)</b>	<b>17,370</b>

Investments were held in unit trusts which were exposed directly to market risk only. Any income derived was directly attributable to market movements.

**MOTOR ACCIDENT COMMISSION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**13 ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES (CONTINUED)**

Reconciliation of Net Financial Assets	Consolidated	
	2024	2023
	\$'000	\$'000
Net Financial Assets	11,233	17,370
Add - Reinsurance and other recoveries	904	1,193
- Reinsurance assets	131,495	192,277
- Prepayments	11,100	16,242
Less - Reinsurance and other recoveries payable	(904)	(1,193)
- Outstanding claims	(142,595)	(208,518)
- Deferred revenue	(7,800)	(9,811)
<b>Net Assets</b>	<b>3,433</b>	<b>7,560</b>

(e) **Credit Risk**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

**Recognised Financial Instruments**

The carrying amounts of financial assets included in the Statement of Financial Position represent Motor Accident Commission's maximum exposure to credit risk to these assets.

The credit risk relating to investments is monitored and assessed by Motor Accident Commission's fund managers, and maximum exposures are limited.

All unit trusts are unrated.

(f) **Market Risk**

Market risk is the risk that investment returns generated by different financial markets will be volatile and will underperform long-term expectations over the short to medium term.

Motor Accident Commission's fund managers manage the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub-markets: and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

(g) **Liquidity and Cash Flow Risk**

Liquidity risk is the risk that Motor Accident Commission will not be able to meet its financial obligations as they fall due. The liquidity risks associated with the need to satisfy requests for business cash outflows are mitigated by maintaining sufficient cash reserves to satisfy usual levels of demand. Motor Accident Commission ensures that a very high proportion of the Fund is invested in securities that are actively traded and highly liquid. Liquidity risks are further minimised through trading with approved exchanges and counterparties.

**14 NET CLAIMS INCURRED**

Prior period claims relate to a reassessment of the risks borne in all previous reporting periods. There were no current claims.

	MAC Fund		Consolidated	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Gross claims incurred and related expenses - undiscounted	(43,894)	(28,258)	(43,894)	(28,258)
Reinsurance and other recoveries - undiscounted	37,808	21,193	37,808	21,193
<b>Net claims incurred - undiscounted</b>	<b>(6,086)</b>	<b>(7,065)</b>	<b>(6,086)</b>	<b>(7,065)</b>
Discount and discount movement - gross claims incurred	12,107	6,884	12,107	6,884
Discount and discount movement - reinsurance and other	(11,162)	(6,348)	(11,162)	(6,348)
<b>Net discount movement</b>	<b>945</b>	<b>536</b>	<b>945</b>	<b>536</b>
<b>Net claims incurred</b>	<b>(5,141)</b>	<b>(6,529)</b>	<b>(5,141)</b>	<b>(6,529)</b>

As part of the reinsurance arrangements costs incurred as part of managing claims are the responsibility of NICO. As a result of this agreement Motor Accident Commission has recognised an offsetting adjustment through the Statement of Comprehensive Income for Net Claims Incurred.

**MOTOR ACCIDENT COMMISSION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

15 RETURN OF CAPITAL	MAC Fund		Consolidated	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Return of capital	7,560	-	7,560	-

During 2023-24, Motor Accident Commission made a payment of \$7.56 million to the Treasurer's Consolidated Account (2023: Nil). The payment was a return of net surplus capital as required by the Treasurer pursuant to section 26(2) of the *Motor Accident Commission Act 1992*.

**16 AUDITORS' REMUNERATION**

Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987*

37	39	37	39
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No other services were provided by the Audit Office of South Australia.

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of management expenses.

**17 CASH FLOW RECONCILIATION**

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of the operating cash flows.

**(a) Reconciliation of cash**

Cash and cash equivalents disclosed in the Statement of Financial Position	11,322	30,655	11,322	30,655
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Balance as per the Statement of Cash Flows	11,322	30,655	11,322	30,655
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**(b) Reconciliation of net cash inflows/(outflows) from operating activities**

Total comprehensive result	3,433	7,909	3,433	5,043
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Add/(less) non-cash items:

- Revaluation of investments to market value	433	(13)	433	(13)
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<b>Net cash inflows/(outflows) from operating activities before changes in assets and liabilities</b>	<b>3,866</b>	<b>7,896</b>	<b>3,866</b>	<b>5,030</b>
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Change in assets and liabilities

- (Inc)/dec in other financial assets	(1,467)	(6,407)	(1,467)	(6,407)
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- (Inc)/dec in reinsurance assets	60,782	77,375	60,782	77,375
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- (Inc)/dec in prepayments	5,142	6,529	5,142	6,529
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- (Inc)/dec in receivables	298	547	298	563
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- Inc/(dec) in payables	(36)	(34)	(36)	(35)
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- Inc/(dec) in outstanding claims	(65,923)	(83,905)	(65,923)	(83,977)
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- Inc/(dec) in other liabilities	(114,271)	(782)	(114,271)	(782)
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Net Change in assets and liabilities	<b>(115,475)</b>	<b>(6,677)</b>	<b>(115,475)</b>	<b>(6,734)</b>
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<b>Net cash inflows / (outflows) from operating activities</b>	<b>(111,609)</b>	<b>1,219</b>	<b>(111,609)</b>	<b>(1,704)</b>
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**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**18 SUFFICIENT LEVEL OF SOLVENCY**

Section 13A of the *Motor Accident Commission Act 1992* states that the Motor Accident Commission Fund has a sufficient level of solvency if the amount in the Fund equals or exceeds an amount calculated in accordance with the formula published in the South Australian Government Gazette. A revised formula to calculate a Sufficient Level of Solvency was issued by the Treasurer on 7 December 2016 and subsequently published in The South Australian Government Gazette. The formula specifies that the Motor Accident Commission Fund will have a Sufficient level of Solvency if its assets exceed the sum of the Fund's liabilities.

As at 30 June 2024, the Sufficient solvency target was \$151.5 million (2023 \$331.7 million) which compares to the Fund's assets of \$154.9 million (2023 \$339.2 million) and this equates to 102.27% (2023: 102.28%) of the required level of sufficient solvency.

In recent years, there has been significant movement in the Motor Accident Commission's solvency, which demonstrates the potential volatility of the Motor Accident Commission Fund on an annual basis and its dependence on strong investment market returns to achieve and maintain Sufficient Solvency.

The accounts are prepared on a going concern basis after consideration of the following issues:

- a. The Fund's investment strategy ensures adequate liquidity to meet liabilities as and when they fall due;
- b. The Fund's investment strategy is designed to assist in maintaining Sufficient Solvency; and
- c. Motor Accident Commission is supported by a Government guarantee pursuant to sub-section 21(1) of the *Motor Accident Commission Act 1992*.

**19 CONTINGENT ASSETS AND LIABILITIES**

As part of the security arrangements under the Reinsurance deed, NICO has delivered a Letter of Credit to Motor Accident Commission. In the event of default, Motor Accident Commission would access the funds held.

Insurance underwriting by its very nature has liabilities contingent upon certain events occurring which give rise to a claim under the policy of insurance. All of the known and expected claims in respect of events that have occurred up to balance date have been accounted for in the preparation of these financial statements. Occasionally certain claims may require legal judgment to determine a suitable settlement. The result of such legal arbitration may result in a liability to the Commission different to that incorporated in these financial statements.

**20 CONSULTANTS**

The number and value of consultancies paid/payable that fell within the following bandwidths during the financial year were:

	2024		2023	
	Number	\$'000	Number	\$'000
Below \$10,000	-	-	-	-
Above \$10,000	2	99	1	136
<b>Total paid/payable to the consultants engaged</b>	<b>2</b>	<b>99</b>	<b>1</b>	<b>136</b>

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**21 DIRECTORS' REMUNERATION**

The names of each person holding the position of director of Motor Accident Commission during the financial year were:

Ms S Pitcher	Chair
Mr A Coates	Director
Ms C Uncle	Director

In accordance with the Department of the Premier & Cabinet circular No. 016, as the directors are government employees, they did not receive any remuneration from the Commission for Board or Committee duties during the financial year.

**22 RELATED PARTIES**

**Key Management Personnel**

Key management personnel of Motor Accident Commission include the Treasurer and the governing board members who have responsibility for the strategic direction and management of Motor Accident Commission. No compensation is paid by Motor Accident Commission to key management personnel.

**Transactions with Key Management Personnel and other related parties**

There were no transactions requiring disclosure for key management personnel and related parties.

**Directors' transactions with the Commission**

The directors of Motor Accident Commission may hold positions in other organisations in which Motor Accident Commission invests or provides funding in the ordinary course of business. The terms and conditions of those transactions with director-related entities are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

**Transactions with other government entities**

Effective 1 July 2019, South Australian Government Finance Authority provides management and administrative services to Motor Accident Commission. Additionally, Motor Accident Commission has dealings with other Government instrumentalities. All dealings are in the ordinary course of business and on normal trading terms.

**23 EVENTS AFTER THE END OF THE REPORTING PERIOD**

No event has arisen since 30 June 2024 that would be likely to materially affect the operations or the state of affairs of Motor Accident Commission.

**MOTOR ACCIDENT COMMISSION  
CERTIFICATION OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

We certify that the attached general purpose financial statements for the Motor Accident Commission:

- a. Comply with relevant Treasurer's Instructions;
- b. Comply with relevant Australian Accounting Standards; and
- c. Are in accordance with the accounts and records of the Commission;
- d. Present a true and fair view of the financial position of the Commission as at 30 June 2024 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Motor Accident Commission for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.

Signed in accordance with a resolution of the directors.



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Sandra Pitcher  
Chair



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Lisa Smith  
Chief Financial Officer, SAFA

Adelaide

Dated: 12 September 2024