

NATIONAL INJURY INSURANCE AGENCY, QUEENSLAND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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The National Injury Insurance Agency, Queensland

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Income			
User charges and fees		374	218
Levy	3	570,842	508,266
Interest	4	276	47
Other revenue	5	984	3,915
		<hr/>	<hr/>
Total revenue		572,476	512,446
Net fair value gains/(loss) on financial assets	4	274,435	(217,363)
		<hr/>	<hr/>
Total Income		846,911	295,083
		<hr/>	<hr/>
Expenses			
Employee expenses	6	12,702	9,302
Supplies and services	7	29,470	24,593
Treatment, care and support	8	324,865	411,120
Grant expenses		371	224
Depreciation and amortisation		1,092	882
Other expenses	9	119	101
		<hr/>	<hr/>
Total expenses		368,619	446,221
		<hr/>	<hr/>
Operating result for the year		478,292	(151,139)
		<hr/>	<hr/>
Total comprehensive income/(loss)		478,292	(151,139)
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

The National Injury Insurance Agency, Queensland

STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents		4,174	3,035
Receivables	10	16,988	11,392
Prepayments		108	107
Financial assets at fair value through profit or loss	15 & 16	2,751,280	2,126,393
Total current assets		2,772,550	2,140,927
Non-current assets			
Property, plant and equipment		104	30
Intangible assets	11	8,966	7,400
Financial assets at fair value through profit or loss	15 & 16	1,000,636	955,336
Total non-current assets		1,009,706	962,766
Total assets		3,782,256	3,103,693
Current liabilities			
Payables	12	3,099	3,129
Accrued employee benefits	13	1,446	1,061
Provisions	14	137,938	143,213
Total current liabilities		142,483	147,403
Non-Current Liabilities			
Accrued employee benefits	13	1,490	1,130
Provisions	14	3,544,792	3,339,960
Total non-current liabilities		3,546,282	3,341,090
Total liabilities		3,688,765	3,488,494
Net assets/(liabilities)		93,491	(384,801)
Equity			
Accumulated (losses)		(556,509)	(1,034,801)
Contributed equity		650,000	650,000
Total equity		93,491	(384,801)

The accompanying notes form part of these financial statements.

The National Injury Insurance Agency, Queensland

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

	Notes	Accumulated Deficit \$'000	Contributed Equity \$'000	TOTAL \$'000
Balance as at 1 July 2021		(883,662)	650,000	(233,662)
Operating result		(151,139)	-	(151,139)
<hr/>				
Balance as at 30 June 2022		(1,034,801)	650,000	(384,801)
<hr/>				
Balance as at 1 July 2022		(1,034,801)	650,000	(384,801)
Operating result		478,292	-	478,292
<hr/>				
Balance as at 30 June 2023		(556,509)	650,000	93,491
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The accompanying notes form part of these financial statements.

The National Injury Insurance Agency, Queensland

STATEMENT OF CASH FLOWS for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges and fees		374	218
Levy		565,941	505,828
Interest		249	39
GST input tax credits from ATO		3,528	2,792
GST collected from customers		196	260
Other revenue		421	3,915
<i>Outflows:</i>			
Employee expenses		(11,957)	(8,900)
Supplies and services		(9,032)	(4,316)
Treatment, care and support		(125,308)	(78,670)
GST paid to suppliers		(2,106)	(3,121)
GST remitted to ATO		(221)	(226)
Grants and subsidies		(371)	(224)
Other expenses		(119)	(101)
Net cash provided by operating activities	CF-1	421,595	417,494
Cash flows from investing activities			
<i>Outflow:</i>			
Payments for other financial assets		(417,800)	(414,780)
Payments for intangible assets		(2,647)	(2,891)
Payments for property, plant and equipment		(9)	-
Net cash used in investing activities		(420,456)	(417,671)
Net increase/(decrease) in cash and cash equivalents		1,139	(177)
Cash and cash equivalents - opening balance		3,035	3,212
Cash and cash equivalents - closing balance		4,174	3,035

The accompanying notes form part of these financial statements.

The National Injury Insurance Agency, Queensland

STATEMENT OF CASH FLOWS for the year ended 30 June 2023

NOTE TO THE STATEMENT OF CASH FLOWS

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

	2023 \$'000	2022 \$'000
Operating (deficit)	478,292	(151,139)
<i>Non-cash items included in operating result</i>		
Net fair value (gains)/loss on other financial assets	(274,435)	217,363
QIC management fee	20,811	19,296
Depreciation and amortisation expense	1,092	882
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(4,094)	(2,741)
Increase/(decrease) in provisions	199,557	332,450
Increase/(decrease) in accounts payable	(372)	938
Increase/(decrease) in accrued employee benefits	745	402
(Increase)/decrease in prepayments	(1)	43
Net cash provided by operating activities	421,595	417,494

Cash flows are included in the Statement of Cash Flows on a net basis with the Goods and Services Tax (GST) components of the cash flows shown as separate line items. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

1. Basis of Financial Statement Preparation

(a) General Information

The National Injury Insurance Agency, Queensland (NIISQ Agency) is a statutory body established under the *National Injury Insurance Scheme (Queensland) Act 2016* (the Act). The Act commenced on 1 July 2016 establishing the National Injury Insurance Scheme Queensland (NIISQ) and the National Injury Insurance Scheme Fund, Queensland (the fund).

The head office and principal place of business for the NIISQ Agency is 275 George Street, Brisbane Qld 4000.

A description of the nature of the NIISQ Agency's operation and its principal activities are included in the notes to the financial statements.

(b) Compliance with Prescribed Requirements

NIISQ Agency 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, which is prepared on a cash basis) in accordance with:

- section 39 of the *Financial and Performance Management Standard 2019*
- applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

(c) Presentation

Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2021-22 financial statements except where restatement was necessary to be consistent with disclosures in the current reporting period. There have been no material restatements made to the comparative amounts.

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 due to be settled within 12 months after the reporting date, or the NIISQ Agency does not have an unconditional right to defer settlement to 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 Queensland Investment Corporation (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 NIISQ Agency's election. Investments that are long-term and not readily convertible to cash within a short period are classified as 'non-current'.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

1. Basis of Financial Statement Preparation (cont)

(d) Basis of Measurement

Historical cost is used as the measurement basis in this financial statement except for the following:

- Financial assets at fair value through profit or loss which are shown at fair value (Note 15); and
- Provisions (Note 14) and accrued employee benefits (Note 13) expected to be settled 12 or more months after the reporting date are measured at their present value.

(e) Judgement 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.

NIISQ Agency places a high reliance on actuarial estimates provided by independent actuaries in calculating the provision for participants' treatment, care and support as at 30 June. Refer to Note 14.

NIISQ Agency also rely on actuarial estimates provided by Queensland Government State Actuary's Office, in calculating the Long Service Leave Liability as at 30 June. Refer to Note 13.

A high degree of judgement is involved in the fair value measurement of other financial assets. Refer to Note 16.

(f) Going Concern

NIISQ has considered the following points:

- For the year ended 30 June 2023, the NIISQ Agency has a positive net asset position of \$93.5 million (2022: negative net asset position of \$384.8 million) and a net operating profit of \$478.3 million (2022: net operating loss of \$151.1 million).
- The NIISQ Agency has generated a net operating cash inflow of \$421.6 million in 2022-23 (2022: \$417.5 million) and continue to project positive cash flows in further out years.
- The NIISQ Agency's cash position at 30 June 2023 is \$2,755.5 million with current liabilities of \$142.5 million and a current ratio of 19.5. It is considered that this allows sufficient liquidity to continue to meet obligations as they fall due.
- The NIISQ Agency's levy revenue is expected to increase from \$570.1 million in 2022-23 to \$605.6 million in 2023-24 as a result of an increase in projected number of vehicles and increase in the NIISQ levy.

The Chief Executive Officer (CEO) has therefore formed the view that the entity remains a going concern and the financial statements have been prepared on this basis.

(g) Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chief Executive Officer and the A/Director Finance, Risk & Assurance at the date of signing the Management Certificate.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

1. Basis of Financial Statement Preparation (cont)

(h) 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 16 for more details on financial assets through profit or loss.

2. Objectives and Principal Activities of the NIIAQ Agency

The NIIAQ Agency administers the NIIAQ by facilitating the assessment and access to necessary and reasonable treatment, care and support for participants for their lifetime.

Established under the Act, NIIAQ Agency commenced operations on 1 July 2016 as a statutory body. The NIIAQ Agency is responsible for the administration of the NIIAQ which includes developing and implementing processes, policies and guidelines. It assesses the eligibility of participants to enter the NIIAQ, determines their interim and lifetime status in the NIIAQ, coordinates and approves the payment of reasonable and necessary care and support services, and establishes and participates in dispute resolution processes within the provisions of the Act.

Section 232ZI of the *Workers' Compensation and Rehabilitation Act 2003* and section 60 of the Act, establishes the agreement for engagement of NIIAQ Agency to administer claims on behalf of Self Insurers where they meet certain requirements. The agreement refers to the engagement of NIIAQ Agency to provide the eligible worker the treatment, care and support as prescribed in the Act.

3. Levy

Levies are recognised at the time they are legally payable by the Department of Transport and Main Roads (DTMR) to the NIIAQ Agency under Section 27 of the *Motor Accident Insurance Act 1994*. This occurs at the time the levies are paid by motorists to DTMR.

The NIIAQ Agency levy is set annually in accordance with sections 97, 98 and 99 of the Act. A total pool amount representing calculations based on actuarial advice of the amount required to fully fund present and likely future liabilities, to meet other payments required to be made from the fund and to cover any other matters NIIAQ Agency considers appropriate.

In the 2022-23 levy setting process, NIIAQ Agency provided a copy of its calculations to the Insurance Commissioner who made a recommendation to the Treasurer regarding the setting of the levy. Upon approval by the Treasurer the amount is fixed by regulation.

Given the long-term nature of scheme liabilities, estimates of costs are very sensitive to underlying financial assumptions. To support year to year levy stability, actuarial advice underpinning the annual levy adopts long-term assumptions for inflation and the discount rate (3.30% p.a. and 4.25% p.a. respectively for 2023-24). In contrast, the estimate of scheme liabilities as at 30 June 2023 adopts market consistent assumptions (3.5% p.a. and 4.4% p.a. see Note 14).

The effect of a lower "gap" between the inflation rate and discount rate is, all other things equal, a higher liability value. To illustrate, if the gap at 30 June 2023 had been equivalent to that adopted in determining the 2022-23 levy, the estimated liability at 30 June 2023 would have been \$3,611 million, \$72 million less than the actual estimate of \$3,683 million.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

4. Investment Income

	2023 \$'000	2022 \$'000
Interest	276	47
Net fair value gains/(loss) on financial assets	274,435	(217,363)
Total	274,711	(217,316)

The NIIISQ Agency recognises other financial assets invested with QIC at fair value through profit or loss. The value of financial assets has been impacted by macro-economic conditions and the NIIISQ Agency has considered the associated financial risks (Note 15 & 16). Gains/(losses) arising from changes in the fair value of the QIC investments are included in the operating result for the period in which they arise.

5. Other Revenue

In 2022-23, other revenue consisted mainly of administrative fees charged to WorkCover Queensland and Self Insurers for providing eligible worker the treatment, care and support as prescribed in the NIIISQ Act 2016 (Note 21).

In 2021-22, NIIISQ Agency received a “once-off” input tax credit of \$3.14 million from the Australian Tax Office (ATO) for the Compulsory Third Party (CTP) policies transferred to NIIISQ back in 2017. This once-off claim is in lieu of all future decreasing adjustments NIIISQ would have been otherwise eligible to claim on all future claim settlements for those transferred policies.

6. Employee Expenses

	2023 \$'000	2022 \$'000
<i>Employee benefits</i>		
Wages and salaries	9,612	6,575
Employer superannuation contributions	1,317	853
Annual leave	919	757
Long service leave	160	445
Other employee benefits	44	183
<i>Employee related expenses</i>		
Payroll tax	582	415
Fringe benefit tax	12	7
Workers' compensation premium	34	39
Other employee related expenses	22	28
Total	12,702	9,302

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

6. Employee Expenses (cont)

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information) is 96.38 (2022: 66.44).

Wages and salaries

Wages and salaries are recognised as an expense when services are performed. Wages and salaries due but unpaid at reporting date are recognised at the current remuneration rates as NIISQ Agency expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Sick leave

Sick leave entitlements are non-vesting and are only paid upon valid claims for sick leave by employees. Sick leave is expensed in the reporting period in which the leave is taken by the employee.

Annual leave

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values as the impact is not considered to be material. Leave taken is expensed in the period at which it is payable.

Long service leave

Liabilities for long service leave are recognised on the same basis as those liabilities for accrued annual leave. Allowance for long service leave is made in accordance with the legal liability and has been calculated using the shorthand methodology in accordance with *AASB 119 Employee Benefits*.

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan - The liability for defined benefits 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*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the agency at the specified rate following completion of the employee's service each pay period. The agency's obligations are limited to those contributions paid.

Workers' compensation premiums

The NIISQ Agency pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

6. Employee Expenses (cont)

counted in an employee's total remuneration package. It is not considered an employee benefit and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note 20.

7. Supplies and Services

	2023 \$'000	2022 \$'000
QIC management fee	20,811	19,296
Contractors and consultants	2,949	1,069
Professional services	1,183	808
Building services	1,027	758
Corporate services fee*	616	429
Corporate Administration Agency	200	135
Queensland Treasury actuarial fee	125	124
Other supplies and services	2,559	1,974
Total	29,470	24,593

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

Under *AASB 16 Leases*, lease arrangements with substantive substitution rights or of low value are recognised as an expense when incurred and exempt from recognition on the Statement of Financial Position. The NIISQ Agency's office accommodation falls under government-wide framework arrangements which are exempt under AASB 16 as the arrangements are categorised as procurement of services rather than as leases because the Department of Energy and Public Works has substantive substitution rights over the assets. As such, accommodation costs incurred by the NIISQ Agency are recognised under Building services.

* Corporate support services provided by the Motor Accident Insurance Commission (MAIC) and Nominal Defendant (ND) to NIISQ per the tripartite memorandum of understanding (MOU) (Note 21).

The National Injury Insurance Agency, Queensland
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

8. Treatment, Care and Support

	2023 \$'000	2022 \$'000
Attendant care	46,634	31,692
Lump sum	38,682	15,864
Q Health annual grant/fee	17,000	14,000
Equipment	4,926	4,995
Treatment and rehabilitation	4,548	3,743
Modifications	3,761	1,860
Assessment and review	2,355	1,959
Hospital services	2,189	705
Medical services	1,680	1,211
Participant related services	1,422	973
Legal costs	1,201	509
Accommodation and travel	726	947
Vocational and educational support	184	212
Total treatment, care and support excluding movement in provision	125,308	78,670
Movement in provision for treatment, care and support (refer to Note 14)	199,557	332,450
Total	324,865	411,120

Treatment, care and support relate to the necessary and reasonable benefits provided to participants in line with the Act, from date of acceptance into the NIISQ. Expenses are recognised in the reporting period in which they are incurred, via a movement in the provision for lifetime treatment, care and support or when the treatment, care and support has been provided. The total treatment, care and support cost excluding movement in provision for 2023 amounting to \$125.3 million is \$46.6 million higher than previous year of \$78.7 million, largely due to an increase in attendant care and lump sum costs. The increase in actual treatment, care and support is broadly in line with actuarial projections. The movement in provision for treatment, care and support is \$132.9 million lower in 2023 mainly due to changes in future economic and experience assumptions.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

9. Other Expenses

	2023 \$'000	2022 \$'000
Queensland Audit Office - external audit fees	57	55
Sponsorships	15	2
Insurance premiums (QGIF)	32	28
Committee member fees	15	16
	<hr/>	<hr/>
	119	101
	<hr/>	<hr/>

Total audit fees quoted by the Queensland Audit Office (QAO) relating to the 2022-23 financial statements are \$85,122 (2022: \$55,000). 2022-23 fees include \$28,622 for appointment of specialist fees by QAO for actuaries' audit.

10. Receivables

	2023 \$'000	2022 \$'000
Trade debtors	491	69
Accrued levy income	15,117	10,217
GST receivable	410	329
GST payable	(9)	(35)
Accrued interest income	35	8
Accrued other income	924	804
Other receivables	20	-
	<hr/>	<hr/>
Total	16,988	11,392
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Receivables are measured at amortised cost which approximates their fair value at 30 June. 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. NIISQ Agency's receivables are from Queensland and Australian Government entities and Self Insurers. No loss allowance is recognised for these receivables as there is very low credit risk attached to these balances. Refer to Note 16 for NIISQ Agency's credit risk disclosures. Where NIISQ Agency has no reasonable expectation of recovering an amount owed by a debtor, the debt will be written off.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

11. Intangibles and Amortisation Expenses

Intangible asset – balances and reconciliations of carrying amount

	<i>Internally generated software</i>		<i>Internally generated software works in progress</i>		<i>Total</i>	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Gross	11,036	8,508	280	161	11,316	8,669
Less: accumulated amortisation	(2,350)	(1,269)	-	-	(2,350)	(1,269)
Carrying amount at 30 June	8,686	7,239	280	161	8,966	7,400
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July	7,239	5,060	161	320	7,400	5,380
Acquisitions through internal development	-	-	2,647	2,891	2,647	2,891
Transfers between asset classes	2,528	3,050	(2,528)	(3,050)	-	-
Amortisation for period	(1,081)	(871)	-	-	(1,081)	(871)
Carrying amount at 30 June	8,686	7,239	280	161	8966	7,400

Recognition and Measurement

Intangible assets of NIISQ Agency are comprised of internally developed software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of the agency's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below. No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

11. Intangibles and Amortisation Expenses (cont)

Amortisation Expense

Intangible assets of the agency have finite useful lives and are amortised on a straight-line basis over their estimated useful life to the agency. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of all the agency's intangible assets is zero.

Useful Life

Key Estimate: For this class of intangible asset the following amortisation rates are used:

Intangible Asset	Useful Life
Software internally generated	7-9 Years

Impairment

Intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the agency determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the agency, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

12. Payables

	2023 \$'000	2022 \$'000
Payables to QIC	1,854	1,588
Other payables	1,245	1,541
Total	3,099	3,129

Payables are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e., agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured.

The National Injury Insurance Agency, Queensland
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

13. Accrued Employee Benefits

	2023 \$'000	2022 \$'000
<i>Current</i>		
Salaries and wages outstanding	92	3
Annual leave	1,171	918
Long service leave	183	140
Total current accrued employee benefits	1,446	1,061
<i>Non-current</i>		
Long service leave	1,490	1,130
Total non current accrued employee benefits	1,490	1,130

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the NIISQ Agency resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within 12 months are recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity.

Key estimates in determining the liability for employee entitlements includes future increases in wage and salary rates. Related on-costs have also been included in the liability.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

14. Provisions

Provision for Outstanding Lifetime Treatment, Care and Support Liability

Under the Act, NIIISQ Agency meets Participants' Lifetime Care and Support Services Expenses for people severely injured in motor accidents. Entitlement to these services commenced on 1 July 2016.

Provisions are recorded when the NIIISQ Agency has a present obligation, either legal or constructive as a result of a past event. The NIIISQ Agency's liabilities for Participants' Lifetime Treatment, Care and Support are valued by NIIISQ Agency's independent actuaries as at 30 June 2023 in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*. They are measured as the present value of the expected future Scheme costs related to participants injured before 30 June 2023, whether or not they have entered the Scheme by that date.

The amount of provision during the year is provided by independent actuaries and is endorsed by the Chief Executive Officer. It is valued at \$3,682.7 million on 30 June 2023 (2022: \$3,483.2 million).

The liabilities for Lifetime Treatment Care and Support are measured at the present value of the expected future payments. The present values after discounting are as follows:

	2023 \$'000	2022 \$'000
<i>Current</i>		
Provision for treatment, care and support	137,938	143,213
Total current provisions	137,938	143,213
<i>Non-current</i>		
Provision for treatment, care and support 2-5 years	680,807	639,032
Provision for treatment, care and support greater than 5 years	2,863,985	2,700,928
Total non-current provisions	3,544,792	3,339,960
Total	3,682,730	3,483,173

The National Injury Insurance Agency, Queensland
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

14. Provisions (cont)

(a) Reconciliation of Movement in Provisions

	2023 \$'000	2022 \$'000
Balance at 1 July	3,483,173	3,150,723
<i>Prior periods</i>		
Support payments	(106,797)	(62,863)
Allocation of Queensland Health fee	(10,185)	(8,781)
Support admin expenses	(21,419)	(14,360)
Discount unwind	90,219	(958)
Effect of changes in assumptions and experience	(380,949)	(286,507)
<i>Current period</i>		
Provision for current period	628,688	705,919
	<hr/>	<hr/>
Net outstanding treatment, care and support liability	3,682,730	3,483,173
	<hr/>	<hr/>

The liability for outstanding treatment, care and support includes future payments and administrative expenses for all participants and those injured before 30 June 2023 who are yet to be accepted by the Scheme. The liability is assessed by reviewing individual case files and uses statistics based on past experience, including external data, to estimate lifetime costs for current and future accepted participants. The scheme liability is measured as the present value of the expected future payments allowing for inflation and superimposed inflation.

The treatment, care and support expense represent the cost to the Scheme of people injured during the year to 30 June 2023 and revision of the estimated cost for people injured up to 30 June 2022.

(b) Key actuarial assumptions - participant numbers and average costs (inflated discounted)

For accepted participants, the average cost has been actuarially assessed based on each participant's age, injury severity, expected progress of the injury, and expected changes to required care and support needs over time. For participants who have not yet lodged or had their application accepted, the average cost allows for their expected age and injury severity mix.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

14. Provisions (cont)

2023

Injury type	Number of participants			Average cost (excl CHE) *		
	Accepted to date	Not yet lodged or accepted	Total	Accepted to date (\$ million)	Not yet lodged or accepted (\$ million)	Total (\$ million)
Brain	502	34	536	\$4.5m	\$3.5m	\$4.5m
Spinal	108	6	114	\$9.7m	\$9.8m	\$9.7m
Other	22	1	23	\$2.1m	\$4.6m	\$2.2m
Total	632	41	673	\$5.3m	\$4.5m	\$5.3m

2022

Injury type	Number of participants			Average cost (excl CHE) *		
	Accepted to date	Not yet lodged or accepted	Total	Accepted to date (\$ million)	Not yet lodged or accepted (\$ million)	Total (\$ million)
Brain	422	46	468	\$4.9m	\$5.0m	\$4.9m
Spinal	92	3	95	\$10.0m	\$9.6m	\$10.0m
Other	23	2	25	\$3.6m	\$4.3m	\$3.7m
Total	537	51	588	\$5.7m	\$5.2m	\$5.7m

* Case handling expense

(c) Key actuarial assumptions - other

	2023 \$'000	2022 \$'000
Weighted average inflation	3.53%	3.38%
Weighted average discount	4.40%	3.98%
Discounted mean term	19.7 years	23.2 years
Case handling expense applied to payments excluding lump sums	11%	12%

On average scheme costs are expected to increase by 3.93% p.a (2022: 4.33%). This is 0.40% higher than the weighted average inflation of 3.53% p.a (2022: 3.38%) and has been provided for in the actuarial assessment of the liability.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

14. Provisions (cont)

Sensitivity Analysis for the Valuation as at 30 June 2023

While the liability represents the best estimate based on information available at the reporting date, significant uncertainty exists due to the long-term nature of liabilities. In particular, participants' treatment, care and support needs and their costs are a function of many factors, including injury severity, its improvement and other individual circumstances, mortality assumptions, and market rates for attendant care and other treatment, care and support services. The long-term nature of liabilities also means that the liability is very sensitive to future financial assumptions, i.e. inflation and discount rates. The table below shows sensitivities to some of the actuarial assumptions used in the valuation. The sensitivities do not represent an upper or lower bound of the provision but rather provide an indication of the uncertainty inherent in the provision.

Sensitivities Analysis as at 30 June 2023 including Case Handling Expense (CHE)

Scenario	Inflated discounted liability (incl CHE) (\$ million)	Effect on Liability (\$ million)	Effect on Liability (%)
Base	3,683		
1% p.a. decrease in discount rates	4,505	822	22%
Increase in the discounted mean term of 1 year	3,538	(155)	(4%)
10% reduction in IBNR * participant numbers	3,662	(21)	(1%)
10% increase in the average cost per Acquired Brain Injury participant	3,931	249	7%
10% increase in average cost per Spinal Cord Injury participant	3,797	114	3%
10% increase in the average cost per Other participant	3,688	5	0%
5% increase in care rates	3,840	158	4%
No allowance for improvement in brain injuries	4,116	434	12%
1% p.a. growth in care hours above benchmark	4,401	718	20%

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

14. Provisions (cont)

Sensitivities Analysis as at 30 June 2022 including Case Handling Expense (CHE)

Scenario	Inflated discounted liability (incl CHE) (\$ million)	Effect on Liability (\$ million)	Effect on Liability (%)
Base	3,483		
1% p.a. decrease in discount rates	4,431	948	27%
Increase in the discounted mean term of 1 year	3,350	(133)	(4%)
10% reduction in IBNR * participant numbers	3,454	(29)	(1%)
10% increase in the average cost per Acquired Brain Injury participant	3,725	242	7%
10% increase in average cost per Spinal Cord Injury participant	3,580	97	3%
10% increase in the average cost per Other participant	3,493	9	0%
5% increase in care rates	3,617	134	4%
No allowance for improvement in brain injuries	3,673	189	5%
1% p.a. growth in care hours above benchmark	4,350	867	25%

* Incurred but not reported

15. 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.

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.

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

Level 1	fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
Level 2	fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
Level 3	fair value measurements that are substantially derived from unobservable inputs.

The NIISQ Agency recognises financial assets invested with QIC at fair value through profit or loss. The fair value is measured at market value based on closing unit prices of QIC unlisted unit trusts. 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 National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

15. Fair Value Measurement (cont)

The fair value of receivables and payables is assumed to approximate the value of the original transactions.

The carrying amount for cash assets represents the fair value.

Fair value hierarchy level 1 and 2

None of the NIISQ Agency's valuation of financial assets are eligible for categorisation into level 1 and level 2 of the fair value hierarchy.

Fair value hierarchy level 3

The NIISQ Agency invests in the NIISQ Trust Fund which is a closed fund with the NIISQ Agency being the only investor. While the NIISQ Trust Fund have unit price provided by the Fund Managers as an input to estimate the fair value, the market would not be considered active for level 1 nor level 2, therefore, they are considered to be level 3.

The fair value reported by the NIISQ Agency 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. Refer to Note 16(c) for the sensitivity of the fair value measurement to market changes.

16. Financial Risk Disclosures

(a) Financial Instrument Categories

The NIISQ Agency has the following categories of financial assets and financial liabilities:

Category	Note	2023 \$'000	2022 \$'000
Financial Assets			
Cash		4,174	3,035
Receivables (amortised cost)	10	16,988	11,392
Financial assets (fair value through profit or loss)		3,751,916	3,081,729
Total		3,773,078	3,096,156
Financial Liabilities			
Payables (amortised cost)	12	3,099	3,129
Total		3,099	3,129

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

16. Financial Risk Disclosures (cont)

A financial asset is classified at fair value through profit or loss (FVTPL) if it is classified as held for trading or if so designated on acquisition. Financial assets at FVTPL are valued at fair value at balance date.

NIISQ Agency's financial assets at FVTPL consist of investments with QIC. These assets are classified as held for trading. A financial asset is classified in this category where it is acquired for selling or repurchasing in the near term, or if on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position

(b) Financial Risk Measurement and Management Strategies

NIISQ Agency'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 NIISQ Agency may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation. Credit risk arises from financial assets (cash and cash equivalents, investments held with QIC and outstanding receivables).

The NIISQ Agency's maximum exposure to credit risk is the carrying amount of its Financial Assets and Receivables as disclosed in Note 16(a) and the receivables disclosed in Note 10.

The NIISQ Agency seeks to reduce the exposure to credit risk in the following manner:

- invest in secure assets through QIC and regularly reviewing the investment strategy;
- monitor all funds owed on a timely basis; and
- assess credit risk exposure on an ongoing basis.

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

The NIISQ Agency does not expect any material credit losses in relation to its receivables disclosed in Note 10. The debtor group comprises of Queensland and Australian Government entities. They are expected to have an insignificant level of credit risk exposure having regard to the nature and credit ratings of these entities.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

16. Financial Risk Disclosures (cont)

(ii) Liquidity Risk

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

The NISQ Agency is exposed to liquidity risk in respect of its payables and future Participant Lifetime Treatment, Care and Support Expenses. NISQ Agency's current payables and provisions are expected to be settled within 12 months of the reporting date.

The NISQ Agency manages its exposure to liquidity risk by ensuring that the NISQ Agency has sufficient funds available to meet its liabilities. This is achieved by monitoring the QIC investment funds and maintaining minimum cash balances within its bank account to meet both short-term and long-term cash flow requirements.

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk.

The significant market risks to the NISQ Agency are unit price and interest rate risks associated with its investments managed by QIC. Movements in interest rates and market prices of the financial instruments impact the fair values of NISQ Agency's financial assets.

Interest rate risk also exists in relation to NISQ Agency's cash held in interest bearing bank accounts.

Market risk is managed through regular reviews of the investment strategies between the State Investment Advisory Board, the NISQ Agency and QIC via the Investment Management Agreement dated 4 December 2021.

(c) Market Risk Sensitivity Analysis

A sensitivity analysis has been performed assessing the impact to profit and loss if the unit price of the NISQ Agency's investment funds change. The analysis is based on a range of reasonably possible changes to key risk variables applicable to the QIC investment funds as identified by QIC, including the RBA official cash rate, US Federal Reserve official cash rate, ASX 200, MSCI World ex Australia Equities Index, real estate capitalisation rate and exchange rate.

The NISQ Agency's sensitivity to these possible changes are shown in the table below.

	2023				2022			
	Movement in variable		Impact on Profit / Equity		Movement in variable		Impact on Profit / Equity	
	Low	High	Decrease	Increase	Low	High	Decrease	Increase
Investments	%	%	\$'000	\$'000	%	%	\$'000	\$'000
QIC Trust Fund	-7	6	(262,634)	225,115	-9	9	(277,356)	277,356
Total			(262,634)	225,115			(277,356)	277,356

The interest rate risk associated with the NISQ Agency's cash and cash equivalents is immaterial.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

17. Contingencies and Commitments

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

18. Events Occurring After the Reporting Date

There have been no post balance date events identified.

19. 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 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The Australian Accounting Standards Board (AASB) has issued AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector to defer the application date of AASB 17 to annual reporting periods beginning on or after 1 July 2026 for public sector entities.

The Agency will perform an impact assessment of the standard during the year ending 30 June 2024.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

20. Key Management Personnel (KMP) Disclosures

Details of KMP

The Treasurer and Minister for Investments is identified as part of the NIIAQ Agency's KMP, consistent with additional guidance included in the revised version of AASB124 *Related Party Disclosures*.

The following details for non-Ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the NIIAQ Agency during 2022-23. Key management personnel also provided services to MAIC and ND as part of their overall role.

Position	Position responsibility
Chief Executive Officer	Leads the efficient, effective and economic administration of the NIIAQ Agency.
General Manager NIIAQ	Responsible for the leadership and supervision, compliance and performance of the NIIAQ Agency's participant care, legal services and claims, and service delivery and development functions.
General Manager Participant Care	Responsible for the leadership and supervision of NIIAQ Agency support coordination, compliance and performance. This position ceased from 30 January 2023.
General Manager Innovation & Delivery	Responsible for driving innovation and delivering business-led solutions at the NIIAQ Agency.
General Manager Business Advisory & Services	Responsible for the leadership and supervision, compliance and performance of the NIIAQ Agency's corporate service functions, including finance, risk and assurance, human resources, policy, communication, and analytics.
Director Finance, Risk & Assurance	Responsible for the risk management function and ensuring the efficient, effective and economical financial administration of the NIIAQ Agency.
Director People, Culture & Communication	Responsible for managing the NIIAQ Agency's human resources, culture and communication.
Director Analytics	Responsible for data analysis, reporting and business intelligence functions for the NIIAQ Agency.
Director Service Delivery & Development	Responsible for managing the NIIAQ Agency's procurement and service provider management functions.
Director Legal & Claims Services	Responsible for managing the legal function to support the NIIAQ Agency in providing treatment, care and support to participants.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

20. Key Management Personnel (KMP) Disclosures (cont)

Remuneration policies

The Treasurer's ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The NIIAQ Agency 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.

The NIIAQ Agency's KMP, with the exception of a few personnel in the above table, are employed under the NIIAQ Act and via employment contract/agreement between the executive and the Agency. The remuneration policy for the NIIAQ Agency's KMP is aligned to the Senior Executive Service employment remuneration and conditions as set by the Queensland Public Service Commission.

Remuneration packages for KMP comprise the following components:

- Short term employee expenses which include:
 - salaries, allowances and leave entitlements paid and provided for the entire year, or for that part of the year during which the employee was a key management person; and
 - non-monetary benefits - consisting of provision for motor vehicle related expenses 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.

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

20. Key Management Personnel (KMP) Disclosures (cont)

KMP remuneration expense

2022-23

Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary Expenses	Non-Monetary				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer ¹	-	-	-	-	-	-
General Manager NIISQ (from 30/01/2023)	88	3	2	9	-	102
General Manager Participant Care (to 29/01/2023) ³	106	4	4	11	-	125
General Manager Innovation & Delivery	179	-	4	19	-	202
General Manager Business & Advisory Services (from 05/06/2023)	15	-	-	2	-	17
Director Finance, Risk & Assurance (to 05/06/2023) ^{1 & 2}	-	-	-	-	-	-
Director People, Policy & Communication (to 29/01/2023) ¹	-	-	-	-	-	-
Director People, Policy & Communication (from 08/02/2023 to 05/06/2023) ^{2 & 4}	43	-	1	5	-	49
Director Analytics (to 05/06/2023) ^{1 & 2}	-	-	-	-	-	-
Director Service Delivery & Development (to 29/01/2023) ²	71	4	2	10	-	87
Director Legal & Claims Services (to 29/01/2023) ²	88	4	2	11	-	105
Total remuneration	590	15	15	67	-	687

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

20. Key Management Personnel (KMP) Disclosures (cont)

1. These are Queensland Treasury (QT) positions and are not reported under KMP expenses as they were not employed directly by the NIIISQ Agency. MAIC and ND charges a corporate support fee for services provided to NIIISQ Agency. Further information including remuneration for these positions can be found in the body of the MAIC and ND Annual reports under the section relating to Key Management Personnel and Remuneration.
2. These positions were only considered as key management personnels up until the appointment of their direct General Manager.
3. This position was replaced by the General Manager NIIISQ from 30/01/2023.
4. This position was renamed to Director People, Culture & Communication on 27/06/2023.

2021-22

Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary Expenses	Non-Monetary				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer ¹	-	-	-	-	-	-
Director Finance, Risk & Assurance ¹	-	-	-	-	-	-
Director People, Policy & Communication ¹	-	-	-	-	-	-
Director Analytics ¹	-	-	-	-	-	-
General Manager Participant Care	188	-	4	19	-	211
General Manager Innovation & Delivery	123	-	2	12	-	137
Director Service Delivery & Development	141	-	3	17	-	160
Director Legal & Claims Services	96	-	2	11	-	110
Total remuneration	548	-	11	59	-	618

1. These are Queensland Treasury (QT) positions and are not reported under KMP expenses as they were not employed directly by the NIIISQ Agency. MAIC charges a corporate support fee for services provided to NIIISQ Agency. Further information including remuneration for these positions can be found in the body of the MAIC and ND Annual reports under the section relating to Key Management Personnel and Remuneration.

Performance Payments

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

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

21. Related Party Transactions

Transactions with people/entities related to Key Management Personnel (KMP)

During the financial year there were no transactions with people or other entities related to KMPs of the NIISQ Agency.

Transactions with other Queensland Government-controlled entities

Queensland Treasury and Corporate Administration Agency provided the NIISQ Agency with administration and corporate support services during the financial year. The NIISQ Agency also has a corporate support services tripartite MOU in place with MAIC and ND for the receipt and provision of corporate support services between the three entities. These are disclosed in Note 7.

NIISQ Agency received levy income from the Department of Transport and Main Roads (DTMR) in accordance with the Act (Note 3).

NIISQ Agency incurred management fees from QIC for the management of the QIC unlisted unit trusts as disclosed in Note 7.

NIISQ Agency made payments from the fund in an amount determined by the Treasurer to any government entity that is responsible for providing public hospital services or emergency services as disclosed in Note 8.

NIISQ Agency provided grant funding to both the Metro North and Metro South Hospital and Health Services for research and education projects including prevention and management of pressure injuries using advanced manufacturing of personalised cushions and developing physiotherapy clinical practice guidelines for people with spinal cord injury. The Agency also provided grant funding to The Hopkins Centre, Griffith University for Assistive Technology Need Analysis to promote health and wellbeing.

NIISQ Agency charged WorkCover Queensland and Self Insurers an administrative fee for providing eligible worker the treatment, care and support as prescribed in the NIISQ Act 2016. Total charges relating to 2022-23 are \$816,001 (2022: \$750,434).

22. Agency Transactions

NIISQ Agency arranges for the provision of services on behalf of the Self Insurers, makes payments for participants' lifetime treatment, care and support expenses and receives respective reimbursements. Reimbursements received during the year have not been included as revenue in the Statement of Comprehensive Income as the Self Insurers retain the liability. Similarly, payments made on behalf of the Self Insurers have not been included as expenses.

Amounts relating to 2022-23 are \$6,238,822 (2022: \$6,280,615).

The National Injury Insurance Agency, Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2022-23

23. First year Application of New Accounting Standards or Change in Accounting Policy

Changes in Accounting Policies

The NIISQ Agency did not voluntarily change any of its accounting policies during 2022-23.

Accounting Standards Early Adopted

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

Accounting Standards Applied for the First Time

No Australian Accounting Standards have been applied for the first time in 2022-23.

24. Taxation

The NIISQ Agency is a statutory body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes accounted for by the NIISQ Agency. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note 10).

25. Climate Risk Disclosure

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

MANAGEMENT CERTIFICATE

for the year ended 30 June 2023

These general purpose financial statements have been prepared pursuant to *section 62(1) of the Financial Accountability Act 2009 (the Act), section 39 of the Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the National Injury Insurance Agency, Queensland for the financial year ended 30 June 2023 and of the financial position of the agency 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.



.....
Signature

N Singleton
B Bus (Insurance), MBA
Chief Executive Officer
29 August 2023



.....
Signature

I Hidayat
M (Bus) Finance and Accounting, CA
A/Director Finance, Risk & Assurance
29 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officer of The National Injury Insurance Agency, Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of The National Injury Insurance Agency, Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the Chief Executive Officer for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Chief Executive Officer is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Executive Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

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

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

mluwinga

29 August 2023

Martin Luwinga
as delegate of the Auditor-General

Queensland Audit Office
Brisbane