

# Motor Accident Commission

Financial report  
for the year ended  
30 June 2021



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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 2021.

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 2021, its financial performance and 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, Motor Accident Commission and the Director Finance, 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 the 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board 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 2021.

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.

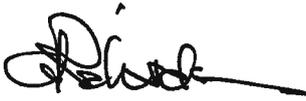
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 Richardson

**Auditor-General**

14 September 2021

# **Motor Accident Commission**

## **Financial Statements for the year ended 30 June 2021**

**Motor Accident Commission Compulsory Third Party  
ABN: 45 346 597 132**

**Motor Accident Commission Non-Compulsory Third Party  
ABN: 64 416 679 821**

**MOTOR ACCIDENT COMMISSION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

		MAC Fund		Consolidated	
		2021	2020	2021	2020
	Note	\$'000	\$'000	\$'000	\$'000
Investment revenue and expense	5	2,814	627	2,815	637
Investment management fee		(605)	(284)	(605)	(284)
Gain on reinsurance		5,445	8,605	5,445	8,605
<b>Net investments</b>		<b>7,654</b>	<b>8,948</b>	<b>7,655</b>	<b>8,958</b>
Management expenses		(271)	(1,339)	(266)	(1,340)
Road Safety expenses	6	-	-	-	(2)
<b>Total expenses</b>		<b>(271)</b>	<b>(1,339)</b>	<b>(266)</b>	<b>(1,342)</b>
Road Safety revenue	6	-	-	3	14
<b>Total revenue</b>		<b>-</b>	<b>-</b>	<b>3</b>	<b>14</b>
<b>Net loss</b>		<b>(271)</b>	<b>(1,339)</b>	<b>(263)</b>	<b>(1,328)</b>
<b>Net result before market value movements</b>		<b>7,383</b>	<b>7,609</b>	<b>7,392</b>	<b>7,630</b>
Investment market value movements	5	2,938	1,685	2,938	1,685
<b>Net result</b>		<b>10,321</b>	<b>9,294</b>	<b>10,330</b>	<b>9,315</b>
<b>Total comprehensive result</b>		<b>10,321</b>	<b>9,294</b>	<b>10,330</b>	<b>9,315</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 2021**

		MAC Fund		Consolidated	
	Note	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current Assets</b>					
Cash	18	296	1,268	3,217	4,026
Receivables	7	86	57	101	73
Reinsurance and other recoveries receivable	8	538	466	538	466
Other financial assets	9	133,718	150,832	133,718	150,832
Reinsurance asset		113,424	162,985	113,424	162,985
Prepayments		9,595	13,814	9,595	13,814
<b>Total Current Assets</b>		<b>257,657</b>	<b>329,422</b>	<b>260,593</b>	<b>332,196</b>
<b>Non-Current Assets</b>					
Reinsurance and other recoveries receivable	8	1,930	1,512	1,930	1,512
Reinsurance asset		271,374	351,124	271,374	351,124
Prepayments		22,903	29,717	22,903	29,717
<b>Total Non-Current Assets</b>		<b>296,207</b>	<b>382,353</b>	<b>296,207</b>	<b>382,353</b>
<b>Total Assets</b>		<b>553,864</b>	<b>711,775</b>	<b>556,800</b>	<b>714,549</b>
<b>Current Liabilities</b>					
Payables		191	1,382	191	1,222
Premiums held for other entities	11	-	15,089	-	15,089
Outstanding claims	12	123,019	176,799	123,084	176,871
Deferred revenue		4,871	7,018	4,871	7,018
Reinsurance and other recoveries payable		538	466	538	466
<b>Total Current Liabilities</b>		<b>128,619</b>	<b>200,754</b>	<b>128,684</b>	<b>200,666</b>
<b>Non-Current Liabilities</b>					
Other financial liabilities	10	106,478	103,837	106,478	103,837
Outstanding claims	12	294,277	380,841	294,277	380,841
Deferred revenue		12,184	15,482	12,184	15,482
Reinsurance and other recoveries payable		1,930	1,512	1,930	1,512
<b>Total Non-Current Liabilities</b>		<b>414,869</b>	<b>501,672</b>	<b>414,869</b>	<b>501,672</b>
<b>Total Liabilities</b>		<b>543,488</b>	<b>702,426</b>	<b>543,553</b>	<b>702,338</b>
<b>Net assets</b>		<b>10,376</b>	<b>9,349</b>	<b>13,247</b>	<b>12,211</b>
<b>Equity</b>					
Retained earnings		10,376	9,349	13,247	12,211
<b>Total equity</b>		<b>10,376</b>	<b>9,349</b>	<b>13,247</b>	<b>12,211</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 2021**

	Note	MAC Fund		Consolidated	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Cash Flows from Operating Activities</b>					
Other cash receipts in the course of operations		-	1,956	-	1,508
Cash payment of premium to the Department of Treasury and Finance		(15,089)	-	(15,089)	-
Other cash payments in the course of operations		(1,512)	(3,665)	(1,354)	(5,065)
Interest and other investment income		24,902	19,244	24,906	19,266
GST refunded from the ATO		21	610	22	610
<b>Net Cash inflows from Operating Activities</b>	<b>18</b>	<b>8,322</b>	<b>18,145</b>	<b>8,485</b>	<b>16,319</b>
<b>Cash Flows from Financing Activities</b>					
Return of capital		(9,294)	(18,530)	(9,294)	(18,530)
<b>Net Cash outflows from Financing Activities</b>		<b>(9,294)</b>	<b>(18,530)</b>	<b>(9,294)</b>	<b>(18,530)</b>
Net change in cash held		(972)	(385)	(809)	(2,211)
Cash at the beginning of the year		1,268	1,653	4,026	6,237
<b>Cash at the end of the year</b>	<b>2(k), 18</b>	<b>296</b>	<b>1,268</b>	<b>3,217</b>	<b>4,026</b>

The accompanying notes form part of these financial statements.

**MOTOR ACCIDENT COMMISSION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

		<b>MAC Fund</b>	<b>Consolidated</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 30 June 2019		<b>18,585</b>	<b>21,426</b>
<b>Total Comprehensive Result for 2019-20</b>		<b>9,294</b>	<b>9,315</b>
Return of capital for 2019-20	16	(18,530)	(18,530)
Balance at 30 June 2020		<b>9,349</b>	<b>12,211</b>
<b>Total Comprehensive Result for 2020-21</b>		<b>10,321</b>	<b>10,330</b>
Return of capital for 2020-21	16	(9,294)	(9,294)
Balance at 30 June 2021		<b>10,376</b>	<b>13,247</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  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1 ACTIVITIES OF THE MOTOR ACCIDENT COMMISSION**

During the year ended 30 June 2021, the principal activities of the Motor Accident Commission (MAC 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 MAC 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, MAC 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 MAC 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, MAC 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.

**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 MAC being treated as a Not for Profit entity. The financial report for MAC consists of the MAC Fund and the consolidated financial statements which includes the Road Safety Fund for the year ended 30 June 2021 and are prepared for the same reporting period, using consistent accounting policies. The MAC CTP Fund formerly established by the Commission continues in existence as the MAC Fund per section 25 of the *Motor Accident Commission Act 1992* and all intra-group balances, transactions, income and expenses are eliminated in full.

**(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 2021**

**(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 accounts 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**

AASB1023: *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 MAC Fund are considered to be for the purpose of backing insurance liabilities.

- (a) Unit Trusts  
MAC's investment portfolio is held with Funds SA, the State Government investment body, Lanyon Asset Management and Bendigo Income Generation Fund. These investments are held via unit trusts in a range of asset classes. Market quotations are 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 2021**

**(h) Reinsurance Assets**

Reinsurance assets represent balances due from NICO. Amounts recoverable are estimated in a manner consistent with the outstanding claims provision or settle 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 MAC 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 MAC will receive from NICO. The impairment loss is recorded in the statement of profit or loss. Ceded reinsurance arrangements do not relieve MAC from its obligations to settle outstanding claims.

**(i) Taxation**

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

MAC 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 MAC.

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. Cashflows managed by Funds SA are presented on a net movement basis.

**(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 2021**

**3 CHANGES IN ACCOUNTING POLICIES**

The Commission did not voluntarily change any of its accounting policies during the year.

The following accounting standard has been issued but not yet effective. This standard has not been early adopted by the Commission but will be relevant upon application:

**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. MAC has commenced a high level assessment to consider the impact, and at this time the estimated effects are yet to be determined. During the 2021-22 financial year, MAC will undertake a more detailed assessment and collaborate with the scheme actuary. This Standard is applicable to annual reporting periods beginning on after 1 January 2023.

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

4 NET RESULT	MAC Fund		Consolidated	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Net result is arrived at after crediting and charging the following specific items:				
<b>Credits</b>				
Interest received/receivable	2	136	6	160
<b>5 INVESTMENTS</b>				
Investment revenue and expense				
- Fund distribution	2,812	491	2,812	491
- Interest	2	136	3	146
<b>Total Investment revenue and expenses</b>	<b>2,814</b>	<b>627</b>	<b>2,815</b>	<b>637</b>
Investment market value movements – unrealised gains/(losses)				
- Fixed Interest	-	642	-	642
- Credit Securities	1,984	167	1,984	167
- Equities	685	(214)	685	(214)
- Other	269	1,090	269	1,090
<b>Total Investment market value</b>	<b>2,938</b>	<b>1,685</b>	<b>2,938</b>	<b>1,685</b>
<b>Total Investments</b>	<b>5,752</b>	<b>2,312</b>	<b>5,753</b>	<b>2,322</b>
<b>6 ROAD SAFETY</b>				
Road Safety Revenue				
- Interest received	-	-	3	14
<b>Total Road Safety Revenue</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>14</b>
Road Safety expenses				
<b>Total Road Safety Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>
<b>Total Road Safety</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>12</b>

From 1 July 2019, MAC no longer performs the road safety function, refer Note 1(c). MAC continues to hold road safety funds, in a bank account, hence the interest income.

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

7 RECEIVABLES	MAC Fund		Consolidated	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade debtors	29	-	44	16
	<b>29</b>	<b>-</b>	<b>44</b>	<b>16</b>
Investment debtors	57	57	57	57
	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>
<b>Total Current Receivables</b>	<b>86</b>	<b>57</b>	<b>101</b>	<b>73</b>
<b>Total Receivables</b>	<b>86</b>	<b>57</b>	<b>101</b>	<b>73</b>

Trade debtors principally relates to ATO refunds that are receivable at balance date.

Investment debtors relates to rent due.

**8 REINSURANCE AND OTHER RECOVERIES RECEIVABLE**

Expected future recoveries (undiscounted)	2,548	2,005	2,548	2,005
Discount to present value	(80)	(27)	(80)	(27)
<b>Reinsurance and other recoveries receivable</b>	<b>2,468</b>	<b>1,978</b>	<b>2,468</b>	<b>1,978</b>
<b>Reinsurance and other recoveries receivable</b>				
- Current	538	466	538	466
- Non-current	1,930	1,512	1,930	1,512
	<b>2,468</b>	<b>1,978</b>	<b>2,468</b>	<b>1,978</b>

Refer to Note 12 for details of the inflation and discount rates used in the determination of the discounting adjustment.

**MOTOR ACCIDENT COMMISSION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

9 OTHER FINANCIAL ASSETS	MAC Fund		Consolidated	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash and Fixed interest				
- Cash - Unit trust	-	27,944	-	27,944
- Fixed interest - Unit trust	-	67,475	-	67,475
Other - Unit Trusts				
- Units in Unlisted Trusts - Funds SA	28,213	-	28,213	-
- Bendigo Income Generation Fund	99,093	50,251	99,093	50,251
- Lanyon Global Value Fund	2,440	1,960	2,440	1,960
- Lanyon Australian Value Fund	2,623	2,101	2,623	2,101
- Lanyon Australian Share Fund	1,349	1,101	1,349	1,101
<b>Total Current Other Financial Assets</b>	<b>133,718</b>	<b>150,832</b>	<b>133,718</b>	<b>150,832</b>

In 2020, MAC's investment in Funds SA was spread across three portfolios: Cash, Fixed Interest and Diversified Strategies. In 2021, these were consolidated into one portfolio, the Capital Defensive Tax-Exempt Fund.

**10 OTHER FINANCIAL LIABILITIES**

Retained premium - NICO	106,478	103,837	106,478	103,837
	<b>106,478</b>	<b>103,837</b>	<b>106,478</b>	<b>103,837</b>
<b>Other Financial Liabilities</b>				
- Non-current	106,478	103,837	106,478	103,837
	<b>106,478</b>	<b>103,837</b>	<b>106,478</b>	<b>103,837</b>

**11 PREMIUMS HELD FOR OTHER ENTITIES**

Premiums held for other entities	-	15,089	-	15,089
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In June 2021, MAC made a payment of \$15.089 million to the Department of Treasury and Finance (DTF) for credit to the CTP Insurance Regulator. This payment was approved by the DTF Chief Executive, under a Ministerial Direction dated 29 July 2016.

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**12 OUTSTANDING CLAIMS**

	MAC Fund		Consolidated	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
a) Expected future claims payments	369,719	487,608	369,784	487,680
Risk margin applied (undiscounted)	62,413	80,555	62,413	80,555
Discount to present value - central estimate	(12,710)	(9,061)	(12,710)	(9,061)
Discount to present value - risk margin applied	(2,126)	(1,462)	(2,126)	(1,462)

**Liability for outstanding claims** 417,296      557,640      417,361      557,712

Current      123,019      176,799      123,084      176,871  
Non-current      294,277      380,841      294,277      380,841

**Liability for outstanding claims** 417,296      557,640      417,361      557,712

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	181,336	206,905	181,336	206,905
New Scheme	235,960	350,735	235,960	350,735
Non-CTP	-	-	66	72

**Liability for outstanding claims** 417,296      557,640      417,362      557,712

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

For the succeeding year				
- Inflation rate	4.25%	3.75%	4.25%	3.75%
- Discount rate	0.90%	0.60%	0.90%	0.60%
For subsequent years				
- Inflation rate	4.25%	3.75%	4.25%	3.75%
- Discount rate	0.90%	0.60%	0.90%	0.60%

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

	3.8 years	3.1 years	3.8 years	3.1 years
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The method of calculating outstanding claims is set out in detail in Note 2(d).

The claims provision for the MAC Fund as at 30 June 2021 has been reviewed by the Fund Actuary, Gillian Harrex BEc, 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 17% (2020: 17%) has been applied and is derived using the framework established by the Actuaries Institute. As MAC only includes one class of insurance, no allowance has been made for diversification of insurance classes.

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**12 OUTSTANDING CLAIMS (continued)**

**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 MAC and Allianz staff, the transfer may affect the management of open claims. This may increase the uncertainty associated with the valuation results.
- b) The MAC Scheme now being in run-off. It is possible that claims development patterns may change now that MAC 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 four insurers who have entered the market) 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%	2.1	8,848
For accidents after 30 June 2013:		
- Cost of attritional claims deteriorates by 5% per half year over the next two years	8.0	33,111
Number of expected future large claims increased from 0 to 6	1.9	7,980
Above case estimates are overstated by 20%	4.7	19,594
Discount rate increased from 0.9% to 1.4% p.a.	(1.8)	(7,600)
Discount rate decreased from 0.9% to 0.4% p.a.	1.9	7,934
Superimposed inflation rate increased from 2.0% to 3.0% p.a.	1.9	(7,699)
Superimposed inflation rate decreased from 2.0% to 1.0% p.a.	(1.7)	(7,143)

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**12 OUTSTANDING CLAIMS (continued)**

**Claims Development**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net ultimate claims cost estimate</b>											
At end of accident year	492,426	514,693	400,476	338,287	330,164		-	-	-	-	
One year later	488,162	461,742	373,204	289,240	304,856		-	-	-		
Two years later	432,909	428,069	316,737	249,295	284,835		-	-			
Three years later	422,326	384,174	247,424	232,867	270,931		-				
Four years later	399,451	355,826	233,463	248,772	279,015	8,846					
Five years later	370,748	358,766	234,297	254,889	271,036						
Six years later	360,417	368,863	241,031	250,145							
Seven years later	363,163	371,251	235,845								
Eight years later	363,712	375,935									
Nine years later	364,919										
Current est. of net ultimate claims cost	364,919	375,935	235,845	250,145	271,036	8,846	-	-	-	-	
Cumulative payments	(349,449)	(331,671)	(206,288)	(190,304)	(172,554)	(8,846)	-	-	-	-	
<b>Net undiscounted claims liability for the ten most recent accident years</b>	15,470	44,264	29,557	59,841	98,482		-	-	-	-	247,614
Discount to present value	(699)	(1,595)	(1,053)	(1,974)	(2,999)		-	-	-	-	(8,320)
<b>Net discounted claims liability for the ten most recent accident years</b>	14,771	42,669	28,504	57,867	95,483		-	-	-	-	239,294
<b>Reconciliation</b>											
Net disc'd claims liability for acc't yrs 2010/11 and prior											87,471
Claims handling expenses											27,776
Risk margin (inclusive of risk margin on claims handling expenses)											60,287
<b>Net outstanding claims liability, gross of reinsurance</b>											414,828
<b>Net outstanding claims liability, net of reinsurance</b>											32,498
<b>Gross outstanding claims liability on the statements of financial position</b>											417,296
Other recoveries on outstanding claims liability											(2,468)
Reinsurance on outstanding claims liability											(382,330)
<b>Net outstanding claims liability, net of reinsurance</b>											32,498

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
<b>Liabilities (Incl Risk Margin)</b>	122,480	140,969	99,568	44,466	7,345		414,828

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**13 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. MAC 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. MAC 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.

**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:

**Insurance risk**

As MAC 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 MAC 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 MAC 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 MAC 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.

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

**Claims management**

From 1 July 2019 claims management has been undertaken by NICO. It is MAC'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.

**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.

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**14 ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES**

**(1) 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.

**(2) 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. MAC'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 MAC's external investment managers, for the purposes described above.

The fair values of all derivative positions as at 30 June 2021 are incorporated within the Statement of Financial Position.

**(3) Currency Risk**

As at 30 June 2021 MAC does not directly hold any international equities and was not exposed to any foreign exchange risk. MAC's external fund manager for the Global Value Fund hedged 100% of this exposure back to Australian dollars.

**(4) 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 MAC's outstanding liabilities, to deviate from expectations. MAC 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.

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**14 ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES (continued)**

**(4) Interest Rate Risk**

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

	Floating interest rate \$'000	Non-interest bearing \$'000	Total carrying amount \$'000
<b>30 June 2021</b>			
<b>Financial Assets</b>			
Cash	3,217	-	3,217
Receivables	-	101	101
Other - Unit trust	-	133,718	133,718
<b>Total financial assets</b>	<b>3,217</b>	<b>133,819</b>	<b>137,036</b>
<b>Financial Liabilities</b>			
Payables	-	191	191
Other financial liabilities	-	106,478	106,478
<b>Total financial liabilities</b>	<b>-</b>	<b>106,669</b>	<b>106,669</b>
<b>Net financial assets</b>	<b>3,217</b>	<b>27,150</b>	<b>30,367</b>
<b>30 June 2020</b>			
<b>Financial Assets</b>			
Cash	4,026	-	4,026
Receivables	-	73	73
Cash - Unit trust	27,944	-	27,944
Fixed interest - Unit trust	-	67,475	67,475
Other - Funds withheld	-	-	-
Other - Unit trust	-	55,413	55,413
<b>Total financial assets</b>	<b>31,970</b>	<b>122,961</b>	<b>154,931</b>
<b>Financial Liabilities</b>			
Payables	-	1,222	1,222
Other financial liabilities	-	103,837	103,837
<b>Total financial liabilities</b>	<b>-</b>	<b>105,059</b>	<b>105,059</b>
<b>Net financial assets</b>	<b>31,970</b>	<b>17,902</b>	<b>49,872</b>

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

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**14 ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES (continued)**

**(4) Interest Rate Risk (continued)**

Reconciliation of Net Financial Assets	2021 \$'000	2020 \$'000
Net Financial Assets	30,367	49,872
Add - Reinsurance and other recoveries receivable	2,468	1,978
- Reinsurance assets	384,798	514,109
- Prepayments	32,498	43,531
Less - Premiums held for other entities	-	(15,089)
- Reinsurance and other recoveries payable	(2,468)	(1,978)
- Outstanding claims	(417,361)	(557,712)
- Deferred revenue	(17,055)	(22,500)
<b>Net Assets</b>	<b>13,247</b>	<b>12,211</b>

**(5) 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 MAC's maximum exposure to credit risk to these assets.

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

In 2020, MAC's investment in Funds SA was spread across three portfolios: Cash, Fixed Interest and Diversified Strategies. In 2021 these were consolidated into one portfolio, the Capital Defensive Tax-Exempt Fund.

All unit trusts are un-rated which is a change from 2020 where ratings were provided for the Funds SA Cash and Fixed Interest portfolios.

30 June 2020	A1+	A1				
Short Term	Allocation %					
Cash	85.0	15.0				
	AAA	AA	A	BBB	Below BBB	Not Rated
Long Term	Allocation %					
Fixed interest	80.50	19.50	-	-	-	-

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**14 ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES (continued)**

**(6) 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.

MAC'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.

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

Liquidity risk is the risk that MAC 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. MAC 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.

**15 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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
	Prior	Prior	Prior	Prior
	Years	Years	Years	Years
Gross claims incurred and related expenses				
- undiscounted	(27,345)	(21,210)	(27,345)	(21,210)
Reinsurance and other recoveries				
- undiscounted	16,646	9,239	16,646	9,239
<b>Net claims incurred</b>				
- undiscounted	<b>(10,699)</b>	<b>(11,971)</b>	<b>(10,699)</b>	<b>(11,971)</b>
Discount and discount movement				
- gross claims incurred	(4,312)	11,317	(4,312)	11,317
Discount and discount movement				
- reinsurance and other recoveries	3,977	(10,436)	3,977	(10,436)
<b>Net discount movement</b>	<b>(335)</b>	<b>881</b>	<b>(335)</b>	<b>881</b>
<b>Net claims incurred</b>	<b>(11,034)</b>	<b>(11,090)</b>	<b>(11,034)</b>	<b>(11,090)</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 MAC 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 2021**

16 RETURN OF CAPITAL	MAC Fund		Consolidated	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Return of capital	9,294	18,530	9,294	18,530

During 2020-21, MAC made a payment of \$9.294 million to the Treasurer's Consolidated Account (2020: \$18.53 million to the Consolidated Account). 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*.

**17 AUDITORS' REMUNERATION**

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the PFAA	35	52	35	54
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No other services were provided by the Auditor-General's Department.

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

**18 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.

**1) Reconciliation of cash**

Cash disclosed in the Statement of Financial Position	296	1,268	3,217	4,026
Balance as per the Statement of Cash Flows	296	1,268	3,217	4,026

**2) Reconciliation of net cash inflows/(outflows) from operating activities**

Total comprehensive result	10,321	9,294	10,330	9,315
Add/(less) non-cash items:				
- Revaluation of investments to market value	(2,938)	(1,685)	(2,938)	(1,685)
<b>Net cash inflows/(outflows) from operating activities before changes in assets and liabilities</b>	<b>7,383</b>	<b>7,609</b>	<b>7,392</b>	<b>7,630</b>
Change in assets and liabilities				
- (Inc)/dec in other financial assets	20,052	125,511	20,052	125,511
- (Inc)/dec in reinsurance assets	129,311	131,103	129,311	131,103
- (Inc)/dec in prepayments	11,033	11,090	11,033	11,090
- (Inc)/dec in receivables	(519)	5,010	(518)	4,553
- Inc/(dec) in payables	(1,191)	(3,220)	(1,031)	(4,611)
- Inc/(dec) in outstanding claims	(140,344)	(142,193)	(140,351)	(142,192)
- Inc/(dec) in other liabilities	(17,403)	(116,765)	(17,403)	(116,765)
<b>Net cash inflows from operating activities</b>	<b>8,322</b>	<b>18,145</b>	<b>8,485</b>	<b>16,319</b>

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**19 SUFFICIENT LEVEL OF SOLVENCY**

Section 13A of the *Motor Accident Commission Act 1992* states that the MAC 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 MAC Fund will have a Sufficient level of Solvency if its assets exceed the sum of the Fund's liabilities.

As at 30 June 2021, the Sufficient Solvency target was \$543.5 million (2020: \$702.4 million) which compares to the Fund's assets of \$553.9 million (2020: \$711.8 million) and this equates to 101.9% (2020: 101.3%) of the required level of Sufficient Solvency.

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

The Sufficient Solvency Target has created a prudential reserve for MAC which has allowed it to remain in a strong net asset position (\$10.4 million). The Sufficient Solvency Target has therefore fulfilled its role of underpinning the viability of the MAC Fund.

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

- The Fund reports positive net assets as at 30 June 2021;
- The Fund's investment strategy ensures adequate liquidity to meet liabilities as and when they fall due;
- The Fund's investment strategy is designed to assist in maintaining Sufficient Solvency; and
- MAC is supported by a Government guarantee pursuant to sub-section 21(1) of the *Motor Accident Commission Act 1992*.

**20 CONTINGENT ASSETS AND LIABILITIES**

As part of the security arrangements under the Reinsurance deed, NICO has delivered a Letter of Credit to MAC. In the event of default, MAC 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 accounts.

**21 CONSULTANTS**

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

	MAC			
	2021			2020
	Number	\$'000	Number	\$'000
Below \$10,000	-	-	-	-
Above \$10,000	1	99	1	207
<b>Total paid/payable to the consultants engaged</b>	<b>1</b>	<b>99</b>	<b>1</b>	<b>207</b>

**MOTOR ACCIDENT COMMISSION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**22 DIRECTORS' REMUNERATION**

The names of each person holding the position of director of MAC during the financial year were:

Mr T Burfield  
Ms T Blight  
Ms C Uncle

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.

**23 RELATED PARTIES**

**Key Management Personnel**

Key management personnel of MAC include the Treasurer and the governing board members who have responsibility for the strategic direction and management of MAC. No compensation is paid by MAC 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 MAC may hold positions in other organisations in which MAC 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 arms' length basis.

**Transactions with other government entities**

Effective 1 July 2019, SAFA provides management and administrative services to MAC. Additionally, MAC has dealings with other Government instrumentalities. All dealings are in the ordinary course of business and on normal trading terms.

**24 Events After The End Of The Reporting Period**

No event has arisen since 30 June 2021 that would be likely to materially affect the operations or the state of affairs of MAC.

**MOTOR ACCIDENT COMMISSION  
CERTIFICATION OF THE FINANCIAL STATEMENTS**

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

- comply with relevant Treasurer's Instructions;
- comply with relevant Australian Accounting Standards; and
- are in accordance with the accounts and records of the Commission;
- present a true and fair view of the financial position of the Commission as at 30 June 2021 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.



\_\_\_\_\_  
Timothy Burfield  
Chair



\_\_\_\_\_  
Mark Twells  
Director Finance, SAFA

Adelaide

Dated: 8 September 2021