

MACC

Annual Report

2024/25



Letter of Transmittal

03/10/2025

Hon William Yan MLA
Treasurer of the Northern Territory
GPO Box 3146 DARWIN NT 0801

Dear Treasurer

I have pleasure in submitting for your information and presentation to Parliament, the Motor Accidents (Compensation) Commission 2024-25 Annual Report.

This report incorporates the audited financial statements for the Motor Accidents (Compensation) Commission for the year ended 30 June 2025, as required by section 22 of the Motor Accidents (Compensation) Commission Act 2014.



Yours sincerely
Will Oliver
MAC Commissioner

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About the Motor Accidents Compensation Commission

The Motor Accidents (Compensation) Commission (MACC) commenced operations on 1 January 2015. It is a government owned entity with the Commissioner appointed by the Northern Territory Treasurer.

The key functions of MACC are to:

- administer, on behalf of the Northern Territory Government, the Motor Accidents Compensation Scheme (MAC Scheme) in accordance with the Motor Accidents (Compensation) Act
- manage the Motor Accidents (Compensation) Fund (MAC Fund)
- promote road safety.

Under the legislation, MACC entered into a Management Agreement with Allianz Australia Insurance Limited. The agreement sets out the framework for the administration of the MAC Scheme and MAC Fund. Territory Insurance Office (TIO), a division of Allianz, provides claims and fund administration.

Records management

MACC complies with Part 9 of the Information Act 2002 relating to Records and Archives Management.

MAC Commission



Will Oliver

MAC Commissioner

Will was appointed as the MAC Commissioner by the Treasurer for a 4 year term commencing on 1 January 2022. Before that he had been the Acting Commissioner since July 2021.

Will has over 25 years' experience in the personal injury compensation industry and has held executive positions in operational business units, including General Manager of Personal Injury Management and Banking.

Will was a partner in a national law firm before he transitioned to an in-house role as General Counsel at TIO, where he gained valuable expertise in corporate governance, risk management, and prudential compliance frameworks.

Will's journey with the Commission began in April 2018 when he joined as the Executive Director before his appointment as an Associate Commissioner in April 2019.



Kye Brown

Director MACC

Kye joined the commission in 2024 as Director, MACC. With over 18 years' experience in the personal injury industry across a range of leadership roles with insurers and claims management agents.

Kye holds a Master of Business Administration and is experienced in strategic planning, corporate governance, operational performance and stakeholder relations.

Kye has a track record of building high performing claims management teams and embedding quality and assurance frameworks.



Our Purpose

Caring for the safety, wellbeing and recovery of Territory road users.



Our Mission

Caring for Territory Road Users

Our mission is to provide an affordable, equitable and sustainable personal injury scheme to support individuals and families impacted by road trauma to get their lives back on track. We strive to reduce the risk of road injuries and fatalities through research, advocacy and funding for effective prevention strategies.



Our mission is to provide an affordable, equitable and sustainable personal injury scheme to support individuals and families impacted by road trauma to get their lives back on track.





Our Values

These are the values that guide MACC and others that represent us in our thinking, behaviours, decision making and how we care for those who have been impacted by trauma on our roads.

We act with integrity

We deal with people and issues directly and with transparency. We take initiative to solve problems and deliver what we promise to our claimants and stakeholders.

We are respectful

We believe that every person deserves to be treated with respect, dignity, fairness and empathy, regardless of their background, identity, circumstances or where they live.

We seek to improve everything we do

We are committed to finding better ways to care for our claimants and preventing road trauma for Territorians.

We value life

We value the quality of life of injured people and pursue early intervention strategies to help people to regain control of their lives and return to work sooner. We invest in road safety research and initiatives to make our roads safer.

We are proactive

We ensure every conversation with our claimants, partners and our community, is heard and is acted on. We find ways around the barriers preventing people from achieving their goals of getting back to health, work and independence as soon as possible.



About the MAC Scheme

The Motor Accidents Compensation (MAC) Scheme was established by the Motor Accidents (Compensation) Act 1979 and provides ‘no fault’ compensation for people injured or killed in motor vehicle accidents in the Northern Territory. This means we pay benefits regardless of who caused the crash, unlike some jurisdictions where injured people must prove another party was negligent to be entitled to support.

The Motor Accidents (Compensation) Commission (MACC) administers the scheme pursuant to the Motor Accidents (Compensation) Commission Act 2014 and is also responsible for the management of the MAC Fund and the promotion of road safety.

The Scheme is funded by Territory motorists through a portion of their motor vehicle registration charges. It provides a wide range of benefits, including the necessary and reasonable costs of lifetime attendant care, medical treatment, rehabilitation and payments for loss of earning capacity.

Reductions in benefits may be applied in cases of irresponsible road user behaviour, such as failing to wear a seatbelt or helmet, driving unregistered or driving under the influence of drugs or alcohol.

The Scheme also covers the owners and drivers of Northern Territory registered vehicles for their third-party personal injury liability arising from interstate motor vehicle accidents.

The Scheme’s liabilities are revised by its actuary twice a year to determine the amount of reserves that need to be set aside in the MAC Fund to meet the cost of future claims.

There is a legislative requirement for an actuarial review every 3 years to ensure the contributions and indexation methodology are sufficient to cover claims administration expenses and support the capital requirement of the Scheme. It also examines the accident experience of different vehicle classes and whether the relative premium rates they are charged remains appropriate.

TIO, a division of Allianz Insurance Australia Ltd, manages the Scheme on behalf of the Commission including the administration of our claims.



Commissioner's Report



MACC supports Territorians on their journey from injury to recovery by delivering a scheme that prioritises a return to health, work and independence.



It is an honour to present the activities and key achievements of the Motor Accidents (Compensation) Commission (MACC) for the year ending 30 June 2025.

This past year we marked 45 years since the Northern Territory Motor Accidents Compensation (MAC) Scheme was established. The 'no-fault' scheme was designed to provide road accident victims with equitable access to benefits, regardless of fault and it continues to be an affordable and sustainable safety net for people injured on Territory roads.

To achieve meaningful outcomes for claimants, the sustainability of the Scheme is essential as it enables us to provide benefits that support injured people to recover, regain control of their lives and return to work. Of equal importance is the effective delivery of a customer experience that is empathetic, respectful and proactive. These 2 elements together underpin the success of the MACC Scheme.

Claims

Following a devastating road toll in 2024 where 60 lives were lost on Northern Territory roads, we have fortunately seen a noticeable improvement in 2025. As of the last week of September, 30 fatalities have been recorded, down from 50 at the same time last year.

In 2024-25, there were 507 new no fault claims received by the Scheme, a 7% increase on the previous year. Of these claims, 85% were linked to accidents occurring within the same financial year, suggesting improved timeliness in lodgement and response.

As at 30 June 2025 there were 1,076 open no-fault claims, a reduction of 73 from the previous year. Of these claims, 55 individuals qualified for lifetime attendant care benefits, managed by the Lifetime Care and Support team. A further 18 people have been accepted for interim attendant care benefits while assessments continue. Of those eligible for lifetime or interim care, 45% identify as Aboriginal, with many living in regional or remote communities.

Open common law claims reduced to 36 compared to 50 from the previous year.

Annual customer satisfaction survey

Our annual customer satisfaction survey gathers feedback from claimants on their service experience and evaluates their overall satisfaction with TIO, which administers the Scheme on behalf of MACC. This year, we refined our survey methodology to make it more accessible, resulting in a stronger response rate.

Pleasingly, we received feedback from 335 claimants from across the Territory – the highest participation rate to date. While the customer satisfaction score shifted marginally to 6.9, the result remains consistent and reinforces the importance of continuous improvement.

We have already begun responding to this year's feedback through the development of explanatory guides and process improvements designed to help case managers spend more meaningful time with claimants.

Road safety

Of the 60 fatalities on our roads in the 2024 calendar year, three key factors were prominent in most crashes – failure to wear seatbelts, speed and alcohol – highlighting the importance of promoting behavioural change amongst motorists and the need for road safety reforms.

During 2024–25, MACC contributed more than \$4.5 million to the promotion of road safety with most of the funding going to the Department of Logistics and Infrastructure Road Safety division, funding road safety education, training, licensing and awareness initiatives across the Territory.

MACC's road safety marketing and awareness programs continued with the launch of the Lives Worth Living campaign during the 2025 Easter long weekend. This campaign, which was strongly supported by a highly visible and proactive enforcement commitment by NT Police, highlights the shocking fact that NT road users are 4 times more likely to die on the road than the national average, and is a call to action for Territorians to reflect on the value of their lives and make safer driving choices.

We also saw the launch of our new campaign focused on pedestrian safety. Titled Steven's Story, the campaign highlights the risks, consequences and preventable nature of pedestrian road trauma.

Our existing campaigns remain in market to support awareness and education.

Strategic partnerships continued, targeting youth education in remote areas through the Michael Long Learning and Leadership Centre, sponsorship of AANT's Street Smart High for high school students and Barunga Festival as a platform to advocate seatbelt use. While these efforts help improve road safety, we continue to call on Territory road users to drive with care and responsibility to protect our communities and each other.

Administration of the MAC Scheme

In 2024, MACC entered into a new management agreement with TIO, following a rigorous national procurement process involving specialist service providers from across Australia.

TIO, a Northern Territory division of Allianz Australia Insurance Limited, was reappointed to provide claims management and administration services for the Motor Accidents Compensation Scheme on behalf of MACC. The new contract started on 1 January 2025 and is projected to deliver significant savings in scheme administration costs, which will be reinvested into the Scheme. This commercially competitive agreement helps strengthen the sustainability of the Scheme into the future.

Financial performance

The MAC Scheme reported an operating profit for the year ended 30 June 2025 of \$79.4 million, up from \$55.7 million last year. The main driver of the result was the investment returns achieved this year of \$113.4 million, partially offset by higher claims expenses of \$34 million.

The other metric we use to measure our financial performance is the cash generated from operations, which shows greater stability than reported profit because it is not influenced by actuarial valuation adjustments to MACC's outstanding claims liabilities and short-term movements in global investment markets. During 2024–25, the Commission generated operating cash flows of \$38.6 million, down from \$46.2 million in the previous year.

The reduction in cash flows was due to higher claim payments, which were partially offset by lower administration expenses resulting from the new management agreement.

Claims expenses

The claims expense reflects the combined effect of the cost of claims and changes in economic assumptions (such as discount and inflation rates) that influence the actuarial valuation of the outstanding claims liability.

In 2024-25 net claims expense of \$106.3 million was higher due to movements increasing the outstanding claims liability by \$34 million. This increase resulted from revised assumptions regarding prior year claims development of \$15.8 million, unfavourable economic assumption movements of \$8.2 million and an increase in claims handling expense of \$10 million, resulting from the revision of the claims handling expense percentage to 15% for the period after 1 January 2025 (2024: 13%). This adjustment was necessary to more accurately reflect the true costs associated with processing and managing claims.

Volatility in results

The operating result has experienced volatility over the past 2 years, primarily due to external factors beyond our control. These factors included changes to long-term discount and inflation rates that directly impacted the outstanding claims liability and short-term movements in global investment markets.

Underlying performance

To better understand the Scheme's underlying performance, each year we use an alternative measurement which excludes the impact of movements in interest rates, which we consider to be a temporal factor. Under the alternative measure, claims liabilities are discounted to present value using a flat discount rate of 2% above assumed inflation. This shows the Scheme's profitability without the influence of interest rate movements.

Using the alternative measure, the net profit this year would have been \$87.6 million, higher than last year's net profit of \$48.8 million. The increase in underlying profit is attributed to the volatility in investment returns over the 2-year period.

Capital position

The MAC Scheme continues to meet its objectives for financial stability and its statutory obligations with a solvency ratio at year end of 156%, slightly above the target range set by the Treasurer of 110 – 150 per cent.

We remain vigilant in ensuring that the MAC Scheme operates efficiently to minimise the cost to motorists.

Reflecting the stability of the Scheme's financial performance, contribution rates made through motor vehicle registrations will remain unchanged in the 2025-26 financial year, easing pressure on household budgets and helping to keep the cost of living down for Territorians.

Reinvesting in the MAC Scheme

Solvency is the metric we use to track the Scheme's capacity to meet our long-term claims liabilities. Strong levels of solvency means claimants, third party providers and government can be confident that MACC will continue to deliver compensation benefits, care and support to people injured on Territory roads for the long term. MACC reinvests profits into the Fund to ensure we can meet the future needs of claimants, as well as offsetting the cost of premiums.

Acknowledgements

I wish to acknowledge the TIO MAC team for their care and support of MAC claimants, and for their commitment to continuous improvement. I also wish to thank our key strategic partners—the Department of Health, Department of Logistics and Infrastructure, and the Northern Territory Police Force for their steadfast collaboration and shared commitment to reducing road trauma on Territory roads.

Will Oliver
MAC Commissioner

Inspiring change MLLLC 'Make Your Mark Program'

The Michael Long Learning and Leadership Centre (MLLLC) has been supporting the education of Aboriginal students from remote communities across the Northern Territory since its commencement in 2015. The MLLLC Make Your Mark program seeks to motivate students to stay committed to their education while inspiring their future by connecting them with boarding schools and preparing them for future employment opportunities. A core component of the program is the 2 road safety education sessions, sponsored by MACC, which are designed to help drive generational change in road user attitudes and behaviors in remote communities.

The road safety sessions are delivered by specialist road safety educators who provide age appropriate messages through sport, games and art, engaging students with hands on activities which communicate road safety concepts. There is a strong focus on the need for students to always wear a seatbelt and take responsibility for their own personal safety as a passenger.

Students are selected by their school to attend the program based on attendance and active engagement in learning.

Leveraging the popularity of AFL football, the MLLLC has successfully engaged over 1,500 Territory students from more than 40 remote communities in its week-long 'Make Your Mark' residential program. The program which primarily targets boys and girls aged 10 to 14 incorporates road safety in covering themes of leadership, wellbeing and community.

This year, the program adopted a renewed focus on enhancing student engagement and strengthening community connections.

A key feature has been the introduction of community outreach visits before the start of the residential program. These visits are made by AFL Northern Territory staff and connect students with the program and its content ahead of their time in Darwin. During these visits road safety messaging is provided to students and schools to reinforce the importance of wearing seatbelts and being safe on the roads.

In the 2024-25 financial year, the MLLLC residential program was delivered to 209 participants from 19 remote communities in the NT.

After each residential program students are verbally surveyed and their responses are recorded on an iPad. Some of the key takeaways mentioned by the students are around the themes of respecting and listening to family and teachers, making good choices to help others, to always wear a seatbelt, and to go to school every day.

Fund performance



MACC fund performance

In 2024-25 MACC's total investment assets increased by \$229 million (2025: \$1.29 billion, \$2024: \$1.06 billion). During the year, it was decided to allocate excess operational cash into a cash fund, resulting in an asset base increase of approximately \$113 million. The investment portfolio returned 10.89% over the financial year outperforming the AWE +2.0% target by 4.29% and the aggregate benchmark by 0.53%.

The financial year was marked by elevated global market volatility, driven by geopolitical tensions, and trade uncertainty surrounding US tariff actions. Equity markets saw sharp corrections and rebounds. Bond markets reflected inflation concerns and fiscal pressures, especially in the US. Despite headwinds, global equities ended the year higher, supported by stimulus measures in China, fiscal reforms in Europe, and strong US earnings.

Across asset classes, the portfolio delivered positive absolute returns with equities (both Australian and international) and the infrastructure sector being key drivers of strong portfolio return outcomes. On an absolute basis, Australian Equities led performance, followed by International Equities, Infrastructure, and Property.

Equities were the primary driver of portfolio returns, with both domestic and international allocations contributing as markets rallied. Despite geopolitical uncertainty and tariff-related risks, investor sentiment remained broadly positive, supported by resilient economic data, low unemployment, and moderating inflation.

Infrastructure was a key contributor to absolute performance, underpinned by strong operational and valuation outcomes across core sectors such as transportation and renewable energy. Property ranked third in contribution, benefiting from stabilising capitalisation rates, high occupancy levels, and strong income returns.

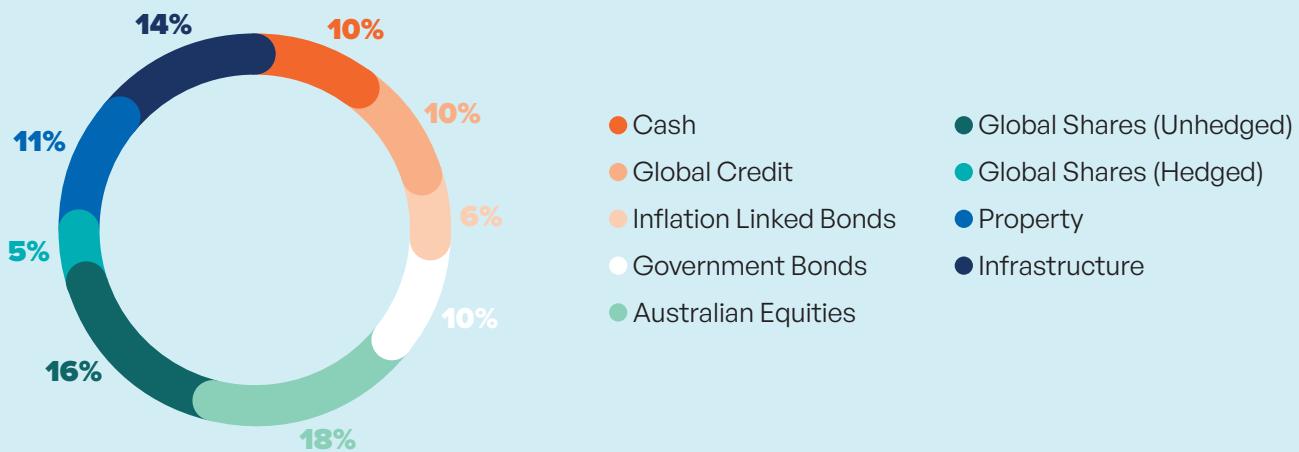
Sensitivity of operating result

Due to the long-term nature of the MAC Scheme, volatility can impact the MACC Fund significantly, as shown below. The MACC Fund is particularly sensitive to changes in interest rates, wage inflation assumptions and local and global equity markets.

Sensitivity to external factors	2024-25
1% decrease in interest rates	\$ (88.5) million
1% decrease in wage inflation (AWE) assumptions	\$ 33.3 million
20% decrease in equity markets	\$ (92.9) million

MAC asset allocation

The Strategic Asset Allocation (SAA) position of the MACC Fund remained tilted more towards growth assets, such as Australian & International Equities, Property and Infrastructure. Over the year, proceeds from the redemption of the government bond portfolio were reinvested into Fixed Income and Global Credit. Additionally, operational cash, which was previously excluded from the SAA, was allocated to a Cash Fund and is now reflected in the actual asset allocation. As a result, the Cash allocation is currently overweight and slightly above the target range. Overall, the current investment mix has provided a diversified, balanced portfolio and reduced volatility.



Claims Management

In 2024-25, 507 new no-fault claims were received, marking a 7% increase on the previous year. Despite this increase in lodgments, open claims at year end are at their lowest levels since 2013-14, reflecting our commitment to supporting claimants to a full recovery through proactive claims management.

Claims Management Outcomes

Of the new claims lodged this year, 431 (85%) of claims relate to accidents that occurred in the 2024-25 year. At the end of 2024-25 there were 1,076 no-fault claims open, a net decrease of 73 claims compared to the previous year. Additionally, there were 36 common law claims open compared to 50 the previous year.

Of the open claims at year end, 55 claimants met the eligibility criteria for lifetime attendant care benefits managed by the Lifetime Care and Support team. A further 18 people have been accepted for interim attendant care benefits pending further assessments. Of those entitled to lifetime or interim attendant care, approximately 45% are Aboriginal people, with many living in regional and remote areas of the NT. Sixty five claimants are in receipt of attendant care benefits under the legislative eligibility criteria applying to claims prior to 1 July 2014.

NT Hospitals remain the primary source of MAC claim lodgments accounting for 83% of claims received. The balance of claims are lodged directly by claimants, their families or other authorised representatives.

Common law claims

In 2024-25, 50 new common law claims were received by TIO, an increase from 29 claims the previous year. This year, 31 claims were finalised, compared to 12 in the prior year. As at June 30 2025, there were 36 outstanding common law claims, down from 50 the previous year.

Liability decisions

When a new claim is received, liability is assessed by TIO, on behalf of MACC, based on eligibility under the legislation. Full or partial benefit exclusions may apply in specific situations such as:

- driving under the influence of drugs or alcohol
- reckless behavior, not wearing a seatbelt or helmet
- involvement in criminal conduct
- being an unlicensed driver
- driving an unregistered vehicle.

Investigations are often required to resolve complex factual and medical issues before a liability decision can be made. However, we are committed to continuously improving these processes to reduce the time it takes to complete these enquiries so claimants can focus on their recovery.

In 2024-25, 73% of liability determinations were made within 30 days of claims lodgment, up from 69% last year, which is a pleasing shift in performance and reflects our commitment to providing proactive support to our claimants and ensuring they receive necessary assistance without delay.

Loss of earning capacity entitlements (LOEC)

Claimants may be entitled to loss of earning capacity benefits (LOEC) where their capacity to earn an income is reduced because of their accident. MACC is committed to helping people regain their earning capacity as soon as possible because we know how important it is for their health, financial independence and overall

wellbeing. Monitoring the number of claimants receiving LOEC benefits helps us track the performance of our return to capacity strategies.

On 30 June 2025, there were 162 claimants receiving LOEC benefits, a decrease from 179 the prior year. Of those claimants, 53% have been receiving LOEC benefits for 5 years or more.

This year, 97 out of the 507 lodged claims resulted in LOEC payments, which is a 33% increase on the prior year, largely driven by an increase in claims lodgements from 433 in 2024 to 507 in 2025. Despite this, claimants received LOEC payments 12% faster than in the previous year due to continuous improvements in our liability assessment processes. The 2025 year also saw an increase in medical and rehabilitation costs by approximately 40% to assist MAC claimants who are unable to work to re build their capacity after their accident.

Claims management strategic priorities

MACC works closely with TIO to ensure best practice claims management strategies are implemented to assist victims of road trauma to recover, and for those who have sustained permanent injuries, to regain their independence as best they can after their accidents.

MACC's Purpose is caring for the safety, wellbeing and recovery of Territory road-users and TIO's strategic initiatives are aligned to this Purpose and our Values. We strive to deliver a professional, empathetic and proactive claims experience.

Valuing life

Key focus in 2025

Enhancing the quality of life for injured individuals through early intervention and support

Outcome

The average time to first LOEC payment reduced by 12% compared to the prior year, culminating in an average time to first payment of 21 days from claim registration, in the quarter ending June 2025.

This decrease in timeframes from liability determinations to payments, connects claimants to statutory benefits faster.

TIO enhanced its claims assessment processes to better identify biopsychosocial indicators to ensure that claimants in need of specialised intervention and supports received it sooner.

Proactive engagement

Key focus in 2025

Ensuring effective communication and proactive support for claimants and stakeholders

Outcome

A TIO MACC Customer Service Charter and Claimant Recovery Guide was developed to enhance support and provide greater transparency of available MAC benefits.

An enhanced telephony system has been introduced to better support case managers in delivering timely, accurate information. The upgrades include automated call summaries to reduce the administration burden on case managers. This encourages active listening without the need for simultaneous record keeping and improves the quality of conversations with MAC claimants.

The cultural awareness training program has been expanded to all key claims management front line and technical support service personnel.

Functional Independence Measure Assessments training is being provided to key personnel. This training upskills staff with knowledge required to have proactive discussions with specialist occupational therapists about eligibility and needs of lifetime care and support participants.

Respectful interaction

Key focus in 2025

Treating every individual with respect, dignity, fairness and empathy

Outcome

A customer and technical coach position was created to uplift the quality of case manager telephone calls with claimants. The objective is to deliver a consistent service experience centred on delivering proactive and respectful conversations that provide claimants with the right information at the right time.

An improved complaint reporting process has been rolled out, with root cause analysis and monthly quality assurance reporting to track customer service objectives.

Integrity in action

Key focus in 2025

Maintaining transparency and accountability in all dealings with claimants and stakeholders

Outcome

TIO reports to MACC monthly on quality assurance activities to ensure consistent performance across the calendar year.

Trends from this reporting are captured and analysed to improve service delivery.

Continuous improvement

Key focus in 2025

Constantly seek ways to improve claims management and reduce the impact of road trauma

Outcome

Enhanced reporting across call coaching, Voice of Customer and complaints data has strengthened customer insights and helps identify ways to improve the claimant experience.

Improvements to the claims reporting platform have been made to provide greater data analysis.

Remote area claims

Of the claimants living in the NT, 44% live outside the Greater Darwin area, with 118 individuals living in very remote communities. These claimants can face additional challenges accessing health and rehabilitation services and require the support of a dedicated and experienced team.

The TIO remote area claims team are proactive in improving the accessibility and quality of care to help MAC claimants living throughout the Northern Territory. Team members located in Katherine and Nhulunbuy are well placed to recognise the needs of remote claimants and to collaborate with treatment providers, suppliers of equipment and assistive technologies.

To ensure the TIO team delivers a claimant centric service, they complete cultural awareness training. This 3 day program for case managers delivers a comprehensive cultural awareness program to develop 'cultural allies' focussed on improving the health and wellbeing of Indigenous people.

Lifetime care and support claims

In 2024-25, TIO has continued to improve its early identification and triage approach to lifetime care and support (LTCS) claims, recognising the critical role that the timely delivery of rehabilitation supports and attendant care plays in enhancing long term recovery outcomes and quality of life for claimants.

This year, 73 claimants satisfied the eligibility criteria to receive LTCS benefits. Of those, 45% identified as Aboriginal. Sixty five claimants were eligible for long term attendant care benefits under the pre-1 July 2014 legislation, with 39 living in locations considered to be remote.

Lifetime Care Claims initiatives introduced in 2024-25 included:

- The addition of a new lifetime care and support specialist position in the team to prioritise care needs and to ensure Quality and Safeguarding Assessments of claimant care are regularly reviewed. This results in more frequent and timely assessments of care needs and improves overall wellbeing for claimants.

- Continued focus on early intervention and triage of any potential lifetime care and support claims, to provide early discharge and access to regular treatment.
- Increased collaboration with the National Disability Insurance Agency (NDIA) to support claimants who may have access to dual funding through both MACC and NDIA to ensure they receive the entitlements available under both schemes.

Claimant satisfaction with claims management

Each year we engage an independent market researcher to seek feedback from claimants about their service experience with TIO, to better understand where efforts should be focused for improvements.

A total of 345 claimants responded to this year's survey - the highest participation rate ever achieved - giving us confidence that we are getting statistically meaningful feedback we can rely on to drive improvements in the way we support people's post-accident recoveries.

This year, 37% of MAC claimants rated their service experience with TIO at or above 9 out of 10. Those dissatisfied with their experience increased slightly to 15% this year, compared to 12% last year, emphasising the need for consistency in claims processing, customer experience and greater transparency in communication relating to the available entitlements under the MAC Scheme.

In response to feedback received in previous years, TIO has implemented several initiatives, including:

- A customer relationship management application, known as Voice of the Customer, introduced in 2024 to enable real-time customer feedback. Pleasingly, this year saw a 5.8% increase in satisfaction scores.

- A dedicated customer and technical coach to provide specialist advice and claims guidance for those experiencing complex psychosocial and emotional impacts following their accidents – factors that can significantly affect recovery pathways. This role also identifies training opportunities across technical expertise and soft skills capability to support case managers, who are the driving force behind positive claimant experiences.
- A comprehensive call coaching program that has actively evaluated over 314 sessions. This initiative is being led by the newly appointed customer and technical coach.
- Investment in new technology that empowers case managers to enhance the quality of their conversations. Real-time information and automatic call transcriptions reduce administrative tasks, allowing case managers to focus more on proactive, customer-focused support.
- A refresh of policies related to liability, loss of earning capacity and medical treatment to improve customer experience and the development of a claimant recovery guide and service charter.
- Introduction of a new claims team that specialises in liability determinations, the implementation of processes to improve the timeliness of payments and an increased uptake in without prejudice acceptance to negate delays in benefits brought about by third parties.

As part of our commitment to the continuous improvement of the claimant experience, TIO provides a comprehensive induction and training program aimed at developing technical and soft skills across the case management team. New team members participate in a tailored TIO MAC induction program, including cultural awareness training, supported by the dedicated customer and technical coach. This ensures they are well prepared to support claimants from the outset.

The training framework blends e-learning modules with structured in-person sessions, providing flexibility and accessibility while maintaining a consistent standard of knowledge across the team.

Case managers go on to complete an average of 43 hours of learning annually, guided by a structured training matrix and supported through the My Career platform. These tools enable team members to track progress, identify growth opportunities, and build long-term capability.

By investing in the skills and knowledge of our people, TIO equips case managers to deliver the highest standard of service, to support positive outcomes and overall satisfaction for claimants.

Appeals

MACC is committed to ensuring fair, appropriate and timely claims decisions are made by TIO in accordance with the Motor Accidents (Compensation) Act. There are several avenues for claimants to review decisions that they do not agree with.

Internal review

In the first instance, claimants can request an Internal Review by a senior TIO specialist who has not been involved in the original decision or management of the claim. Although Internal Reviews are not subject to legislated timeframes, MACC's policy is that TIO will conduct the review and communicate the outcome to the Claimant within 21 days. This process allows claimants to review claims decisions without having to pursue the statutory appeals process.

Designated Person review

The Designated Person review process is prescribed by the Act and involves an independent review of the relevant decision by a person appointed under the Act. There is no cost to a claimant seeking a review by the Designated Person and it must be completed within 30 business days.

During the year, there were 62 new requests for a Designated Person review, with one request carried over from the previous year. Of the 63 total reviews this year, 3 were deemed ineligible and 3 remained open as of 30 June 2025. Of the 60 reviews completed, 49 decisions were upheld with the Designated Person affirming the original decision made by TIO on behalf of MACC.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Designated Person Review received	52	18	25	29	28	62
Decision upheld	25	20	13	28	23	49
Decision varied	7	8	4	6	2	8
Agreement reached	0	10	0	0	0	0
Ineligible for review or withdrawn	0	2	1	5	5	3
Open	28	6	13	3	1	3

Appeals to the Tribunal

Where claimants are dissatisfied with a decision of the Designated Person, the Act provides a final right of appeal to the Motor Accidents (Compensation) Appeal Tribunal.

MACC understand the cost and stress claimants experience due to litigation and we are committed to getting decisions right the first time and transparently explaining the basis of our decisions. During the year only 4 claims were filed in the Tribunal and 5 claims were finalised by way of maintained decisions or an agreement being reached without the need for trial.

While results can be volatile from one year to another, the limited number of claims filed in the Tribunal reflects our commitment to getting decisions right and improvements in the claims decision-making process generally.

When handling claims, interacting and performing any type of litigation service, TIO and any law firms acting on behalf of MACC are required to follow 'model litigant' principles. This applies to litigation before any courts, tribunals, inquiries, arbitration and other alternative dispute resolution processes.

MAC Tribunal	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total received	1	2	3	7	4	4
Decision upheld	0	0	0	0	0	1
Decision varied	1	0	0	0	0	0
Agreement reached	1	1	2	5	3	4
Ineligible for review or withdrawn	1	1	0	0	0	0
Open	0	0	1	4	5	4

MACC Scheme Operational Results 2025

No fault claim portfolio results	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Number of vehicles insured	198,036	200,603	202,601	204,357	204,716	208,375
Premium normal private vehicle	\$561.10	\$565.55	\$575.75	\$591.30	\$607.25	\$607.25
New claims received	506	529	501	533	476	507
Claims received per 1,000 vehicles	2.56	2.64	2.47	2.61	2.33	2.43
Number of finalised claims	604	534	601	549	533	619
Number of active claims at end of period	1,203	1,224	1,152	1,176	1,149	1,076
Gross No Fault claim payments (millions)	\$43.4	\$47.4	\$44.5	\$37.9	\$42.9	\$53.3
Net No Fault claim payments (millions)	\$39.2	\$45.5	\$42.1	\$35.2	\$39.5	\$51.3
Number of pedestrian claims received	43	55	47	49	53	55

No Fault payments by major heads of benefits (\$millions)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Attendant care benefits	3.6	5.7	4.7	2.5	3.4	5.8
Hospital costs	6.1	6.6	9.0	7.5	7.8	8.7
Weekly benefits	10.7	8.5	8.7	8.4	8.9	8.7
Vocational rehabilitation benefits	1.2	1.3	1.7	1.8	2.0	1.7
Rehabilitation benefits	1.4	1.4	1.5	1.4	1.5	2.1
Medical benefits	3.9	5.7	4.2	3.5	3.9	5.6
Death and dependency benefits	4.3	3.8	1.7	2.4	2.2	3.4
Total no fault major heads of benefits	31.2	33.0	31.5	27.4	29.5	36.0

We act with integrity. We seek to improve everything we do

Aarush



We are so grateful for the care and responsiveness of the TIO MAC team. It gave us so much comfort to know that MACC was there for Aarush when he was critically injured, and that their support continues throughout his rehabilitation and into the future.

Mum and dad



Tragically, road trauma affects people of all ages—from the eldest to the very youngest members of our community. At MACC, our team of expert claims managers tailor support to meet the unique needs of every claimant, regardless of age or circumstance.

In 2024, we began providing assistance to Aarush, who was just 2 years of age when he was involved in a motor vehicle accident in the Northern Territory. He was urgently flown to the Adelaide Women's and Children's Hospital, where he spent 2 months receiving treatment for a spinal cord injury.

MACC provided critical support for Aarush and his family from the time he first spent in hospital, to his transition back home to Darwin.

Aarush's journey is ongoing and he will require continued assistance from the MAC Scheme for years to come. His family can take comfort knowing that MACC will be there every step of the way.



Road Safety in the NT

Roads in the Northern Territory span across more than 1.3 million square kilometres of land, linking remote communities with regional centres and larger cities. The uniqueness of the Territory is reflected in a diverse road network subject to extreme heat, seasonal flooding and geographic isolation.

With about 40% of the population living in remote or regional areas and three quarters of the road network unsealed, Territorians can spend hours driving on rough roads, increasing the risk of fatigue, putting strain on vehicles and raising the risk of accidents.

The Territory's demographics present their own set of challenges, recording the youngest median age of any state or territory in Australia at just 32, with nearly 60% of our Aboriginal population aged under 30. As age continues to be a factor in motor vehicle accidents, these statistics demonstrate the need for tailored road safety education and engagement strategies.

MACC contributes about \$4 million annually to road safety initiatives including our own education and awareness campaigns, partnerships and research, and safety education programs. This investment is funded by motor vehicle registrations, with approximately \$25 per vehicle allocated to road safety initiatives.

However, improving road safety in the Northern Territory requires coordinated action among stakeholders to drive progress and improve outcomes. In 2024 the NT Government launched the Toward Zero Road Safety Action Plan 2024-2028, developed with input from key stakeholder groups including MACC. The plan is guided by the National Road Safety Strategy and focusses on the 3 pillars of:

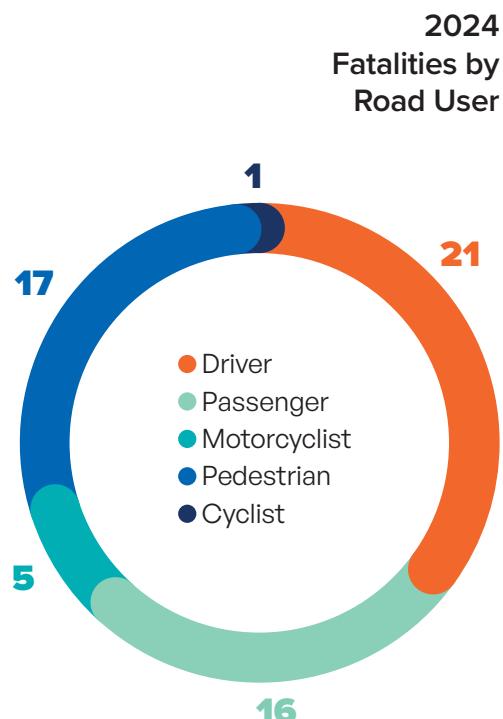
- education and awareness
- enforcement
- legislation and reform.

MACC remains committed to working alongside government, the community and industry partners to help implement the Toward Zero vision and effect behaviour change.

The past year

In the 2024 calendar year, the Northern Territory recorded the highest number of road fatalities in over 10 years, with 60 people tragically losing their lives. This is a significant increase compared to the 31 lives lost in the previous year. Sadly, the increase in fatalities on our roads is consistent with other states and territories post Covid 19, and is a call to action to redouble our efforts to make our roads safer.

Of the recorded fatalities, 80% occurred on rural roads. A gender breakdown reveals a disproportionate number of male deaths, at 40, compared with 20 female deaths. The most significant contributing factor in all fatalities was failure to wear a seatbelt. Pedestrian fatalities also increased to 17 in 2024, up from 10 in 2023.



MACC's contribution to road safety

In 2024–25, MACC contributed \$4.5 million to road safety initiatives. This funding supported a variety of programs, events, campaigns, and research projects designed to develop evidence-based strategies for positively influencing road user attitudes and behaviours. MACC's contributions support the Northern Territory Government to implement its Towards Zero initiatives and the NT Police road safety enforcement.

MACC's research program

MACC conducts strategic research to offer thought leadership and address the more complex factors contributing to road trauma in the Northern Territory. Research reports are shared with road safety stakeholders and the Road Safety Task Force, the leading body responsible for strategic leadership in road safety prevention across Northern Territory Government agencies.

MACC campaigns and programs

MACC continues to deliver high-impact campaigns designed to change road user behaviour and raise awareness about the importance of avoiding risky behaviours on the road. Each targeted campaign delivers important messages about drink driving, speeding, seatbelt usage, adapting to driving conditions or driver distraction.

A recent evaluation of MACC's advertising campaigns has shown road safety messaging is effectively reaching target audiences across traditional media like print, radio and outdoor, with non traditional media channels such as digital platforms maximising engagement. Behaviour change campaigns are reinforced by other preventative measures, such as educational programs, infringement penalties, and enforcement strategies.



Addressing pedestrian road trauma in the Northern Territory

In 2024 MACC engaged Menzies School of Health Research to undertake a study into the over-representation of Aboriginal people in pedestrian fatalities and serious injuries on our roads. The research includes an epidemiological study to gain a deeper understanding of the risks and issues associated with pedestrian deaths and serious injuries, and support the development of evidenced based prevention strategies.

Menzies finalised their research report in July 2025, which includes 10 recommendations. They will present their work and findings to the Northern Territory Government Road Safety Task force and implementation working groups in Quarter 4, 2025. Following this, a series of workshops will be held with key road safety stakeholders to discuss the research findings and formulate initiatives to reduce the tragic toll.

To complement the pedestrian research, MACC have partnered with Menzies and La Trobe University to secure a federal road safety grant for the development of a roadmap of solutions to address road safety in the Territory. Known as the R4NT project, it will provide valuable insights into strategies that can be developed and implemented at a community level to improve road safety outcomes across the Northern Territory.

The project brings together Aboriginal community members, service providers, policy makers and researchers to create local road safety strategies. This work will be carried out over 2 years from 2025 to 2027. It will include multiple remote community visits and consultation with residents to understand what road safety priorities look like to them.

Street Smart High 2025

MACC supports the delivery of the Street Smart High event each year and continues to be a primary funding partner. In March 2025, this road safety education event took place at the Darwin Convention Centre and was attended by 1,450 senior high school students, teachers, and exhibitors from the Top End. The primary goal of the event is to educate and raise awareness among young drivers about the critical importance of road safety. Attendees observe a simulated crash scene and watch demonstrations from emergency services, as well as hear from impactful speakers who recount their personal experiences with road trauma.

Pleasingly, 82% of students surveyed after the event reported having improved road safety knowledge, with 84% feeling more confident in their crash response skills. Students rated their overall satisfaction with the event at 8.7 out of 10.

Leave your phone alone – driver distraction campaign

This campaign aims to raise awareness about the dangers of using mobile phones while driving. It highlights the risks mobile phone use poses including driver distraction, reduction in reaction time and the increased likelihood of collisions with pedestrians, cyclists, vehicles, and stationary objects. The campaign encourages drivers to keep their phones out of reach and seeks to promote safer driving habits and reduce road accidents.

Lives Worth Living campaign

In 2025, MACC and the NT Government launched the new Lives Worth Living campaign, in response to statistics showing Territory drivers are 4 times more



likely to die on the road than the national average. The campaign urges Territorians to reflect on the value of their lives and make safer driving choices to improve road safety outcomes. Lives Worth Living is running across TV radio, billboards, print and social media channels.

Seatbelt campaigns for urban, regional and remote areas

The Always Wear Your Seatbelt campaign, targeting regional and remote communities, continued in market this year. Featuring distinct materials and messages tailored for urban and remote audiences, the campaign addresses the dangers of overcrowded vehicles, riding in the back of utes and trailers, and unrestrained children. This campaign is broadcast primarily through radio and social media in English and 6 Aboriginal languages. Additionally, the campaign is featured on 2 billboards on the highway near Katherine and Matakana to serve as constant reminders for travellers to always buckle up.

Drive To The Conditions campaign for regional and remote areas

The Drive To The Conditions campaign is targeted at Aboriginal people who travel on unsealed roads in remote communities and features the Djuki Mala dancers. Drawing on the gentle humour they are known for, the campaign highlights the importance of driving at suitable speeds for unsealed roads and varying conditions. This messaging is particularly relevant as most fatal and serious injury road crashes occur on regional and remote roads in the Territory. Presented in 4 languages, the campaign reaches audiences via Aboriginal media and social media channels.

Speeding – There's No Future In It campaign for urban areas

The Speeding – There's No Future In It campaign asks young males to consider the choice between the dangerous consequences of speeding and their future potential. The campaign has appeared cyclically throughout the past 3 years with independent market research showing a notable improvement in self-reported behaviour and attitude change towards speeding.

Enough's Enough urban drink driving campaign

The Enough's Enough campaign, now in its ninth year, continues to resonate with audiences. The campaign shares the real-life tragedy of the Hassall family, who lost 2 family members in a car accident caused by a drunk driver. Featuring the Hassall family themselves, as well as emergency responders, doctors, and police officers, it calls for an end to drink driving. By sharing personal stories and highlighting the catastrophic effects of drink driving, the campaign seeks to create a powerful emotional impact and deter this hazardous behaviour.



Michael Long Learning and Leadership Centre (MLLLC) partnership

The MLLLC is changing the lives of young Indigenous Territorians. Based at TIO Stadium in Darwin, the state-of-the-art sport, education and accommodation facility delivers leadership and personal development programs using sport to keep kids motivated.

MACC has a long-term partnership with MLLLC to help young people learn about road safety as part of a week-long residential program. Two road safety sessions are led by the NT Government's road safety educators during each residential program to promote positive road safety behaviour.

Since 2016, more than 1,500 students from 40 remote communities across the NT have participated in the residential program.

Darwin Cup Carnival car park security

The Darwin Cup Carnival is an iconic sporting and social event in the Top End, attracting about 40,000 people each year. During the event, MACC sponsors overnight car park security at the Darwin Turf Club to enforce the don't drink and drive message.

This sponsorship, which has been in place for over a decade, was implemented after research showed patrons were more likely to drink and drive after the races, amid fears of vehicle vandalism if cars were left unattended overnight. This sponsorship is supported by permanent signage at the Darwin Turf Club and racetrack to reinforce messaging during the year.

Barunga Festival

To ensure road safety education and awareness extends Territory wide, MACC partnered with Barunga Festival for the third year in 2025. The Barunga festival is an annual cultural event held in the remote community of Barunga, 320 kilometres southeast of Darwin. Over 4,810 people attended the event this year, travelling on the Territories unsealed roads to access the community.

In the lead up to the festival, MACC road safety messages were aired on radio to remind people to travel safely to the event and road safety messaging was broadcast over the PA system to reach festival goers.

The Always Wear Your Seatbelt Colour Run was held during the festival, with hundreds of participants weaving their way through explosions of colour wearing MACC seatbelt t-shirts.



Towards Zero Road Safety Action Plan 2024-2028

The Northern Territory Government released the new Towards Zero Road Safety Action Plan 2024-2028 this year with the aim of reducing road-related trauma, fostering a responsible road culture, and encouraging Territorians to actively contribute to improving road safety outcomes.

Towards Zero 2024-2028 is a comprehensive five-year plan that emphasises the safe system themes of Safe Road Use, Safe Roads, and Safe Vehicles, and outlines 7 key priorities and 30 actions for road safety in the Northern Territory.

Building on the achievements of the previous Towards Zero Road Safety Action Plan, the new plan incorporates the progress made and lessons learned. Of the 49 actions outlined in the 2018-2022 plan, 35 have been completed, 8 are ongoing, and 6 require further complex and technical development. These remaining actions have been integrated into the Towards Zero Road Safety Action Plan 2024-2028 to ensure continued progress and enhanced road safety outcomes.

DriveSafe NT program

DriveSafe NT is a comprehensive driver education and training program aimed at equipping Territorians with the skills needed to become safer drivers. The program is delivered by the DriveSafe Team, within the Department of Logistics and Infrastructure (DLI), in remote communities and through third-party service providers in urban areas, offering in-person sessions throughout the Northern Territory.

Program participants receive education on road rules, the principles of the safe system approach, ANCAP safety ratings, and 'first at scene' response techniques. Novice drivers are taught positive driving behaviors that reduce the risk of crashes and injuries to themselves and others.

In addition to driver education, the DriveSafe NT program offers Motor Vehicle Registry services to residents in regional and remote areas and the DriveSafe NT team assists people with all aspects of their license applications.

For individuals in financial hardship, DriveSafe NT offers a fully subsidised scheme in partnership with not-for-profit organizations. This initiative is designed to support those who lack the means to obtain their licence.



DriveSafe NT operate 5 programs:

- DriveSafe Urban
- DriveSafe Remote
- Supervising Driver – a driving mentor program for residents in remote communities that do not have access to driving schools
- H Endorsement – a training program for those wanting to drive under a restricted passenger licence in remote areas
- Back on Track – a drink/drug driver education program delivered by third party service providers across the Northern Territory.

Since its development in 2012, a total of 12,827 people have joined the DriveSafe Urban program, with 14,788 learner and provisional licences issued. While a total of 12,226 people joined the DriveSafe Remote program, with 17,384 learner and provisional licenses being issued.

DriveSafe is actively promoted at various community events including Street Smart High, the Barunga Festival, the Garma Festival, the Darwin High Health Expo, APM's Career Day event, CDU International Orientation Day, as well as numerous high school and sporting events.

Road Safety School Education NT

In 2024-25, the Department of Logistics and Infrastructure's (DLI) road safety team delivered road safety education and awareness programs to schools and communities across the Northern Territory.

The DLI Road Safety team participated in promotional events to raise road safety awareness across urban, rural and remote locations. Events included Street Smart High, the Newland Park Road Safety Centre Family Fun Day, the Youth Conference, and various school holiday programs.

DLI also sponsored the Northern Territory Football League competition, promoting safe driving messages throughout the NT AFL season and at football grounds.

The annual Who's Your Sober Bob campaign was promoted throughout the year, and National Road Safety Week was highlighted in May 2024.

The DLI Road Safety team manages the Towards Zero website and the Vehicle Accident Crash database. Reports provided by the NT Police are integrated into this database to produce information for research and analysis of crashes, which is used nationwide. The DLI Road Safety team also oversee the Parap and Newland Park Road Safety centres, which offer a safe off-road environment for children learning to ride bicycles. Additionally, the team manages the NT Road Safety Grants Program.



FEATURE STORY

Lives worth living

The Northern Territory has one of the highest per capita road fatality rates in Australia, with NT drivers four times more likely to die on the road than the national average*.

To encourage behaviour change in the face of this shocking statistic, MACC and the Northern Territory Government released a new road safety campaign in April 2025.

The Lives Worth Living campaign asks road users to consider the value of their lives and those of their fellow Territorians. It challenges our thinking around the road toll and what the community will accept, urging road users to change their behaviour and drive as if their lives are worth living.

The campaign was launched across the Territory over the Easter long weekend, when road travel is at a peak, and will run throughout the year across various channels including TV, radio, billboards, newspaper, social media, Spotify and YouTube.

MACC is committed to focussing on increasing road safety awareness in collaboration with the Northern Territory Government.

* Source: Road Deaths Australia: Monthly Bulletin – February 2025, published by the Bureau of Infrastructure and Transport Research Economics (BITRE).

Department of Logistics and Infrastructure Road Safety team achievements 2024-25



During the year the DriveSafe team delivered **459** road safety education presentations and workshop sessions

These were held at **195** schools and early learning centers, with **118** of these in remote areas



DriveSafe Remote Licensing visited **87** regional and remote communities



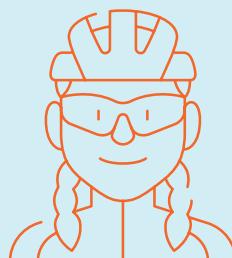
Assisted **1,303** people to qualify for their learner's license and **531** receive a provisional license



Hector the Cat appeared **107** times at schools and community events



DriveSafe Urban licensing assisted **1,045** people in urban areas to earn a learner's license and **360** to attain a provisional license



Provided **22** bike safety sessions to **419** students at the Parap and Newland Park Road Safety centers



On top of this fantastic work the DriveSafe team delivered **31** Road Safety presentations and workshops to community groups and workplaces

CLAIMANT STORY

We value life. We are proactive. We are respectful

Rosalind

“

I have been very grateful for the ongoing support from the MAC Scheme. While TIO MAC may be far away, their support is always close at hand.

Rosalind

”

While visiting her daughter in Gove, Rosalind was injured in a car accident. She received urgent care at Royal Darwin Hospital before returning home to Perth to continue her recovery.

TIO MAC provided Rosalind with critical support during her hospital stay and continues to support her at home in Perth. Drawing on our expertise and experience, we deliver an empathetic, proactive and professional claims service, no matter where people live.

FAQs

What is the Motor Accidents Compensation Scheme (MAC Scheme)?

The MAC Scheme was established in 1979 to provide compensation to victims of road trauma at an affordable cost. It is wholly owned by the Northern Territory Government and was created in response to a crisis in the former compulsory third party (CTP) motor accident insurance scheme.

The MAC Scheme is a no-fault scheme that provides support to people injured in a motor vehicle accident in the Northern Territory, regardless of who caused the accident.

Who does the MAC Scheme cover?

The Scheme covers all road users injured in motor vehicle accidents, including drivers, passengers, pedestrians, motorbike riders and cyclists. Territory residents are also covered when interstate if a Northern Territory registered vehicle is involved in the accident, regardless of who is at fault in causing the accident.

What are MAC Scheme benefits?

The MAC Scheme provides benefits on a periodic basis for as long as necessary and reasonable.

These include:

- the necessary and reasonable costs of attendant care
- medical treatment
- rehabilitation
- payments for loss of earning capacity
- payment of lump sum death and permanent impairment benefits.

How is the MAC Scheme funded?

The MAC Scheme is funded by Northern Territory motorists through a portion of their motor vehicle registration charges, which are indexed annually on 1 July. To determine the amount of reserves that need to be set aside in the MAC Fund to meet the cost of future claims, the MAC Scheme's liabilities are reviewed by its appointed actuary twice a year.

Who manages MAC Scheme claims?

MAC Claims are administered by TIO, who specialises in injury management and is appointed by MACC. MACC has oversight of TIO's performance as the Scheme's appointed claims manager to ensure that it delivers professional claims management services in accordance with applicable legislation and good industry practice and centred on MACC's Values.

What is the difference between a common law scheme and a no-fault scheme?

Common law or 'fault-based' schemes require people to prove their motor vehicle accident was caused by someone else's negligence to receive compensation. They are adversarial in nature with injured people often having to retain their own legal advisers at significant cost before they receive any compensation. This means timeframes before people are paid any compensation are often delayed, in some cases by years.

Our no-fault scheme is based on fairness and timely access to benefits, ensuring people receive compensation regardless of who is at fault in an accident.



Financial Statements

2024/2025

Motor Accidents (Compensation) Commissioners' Statement

The Motor Accidents (Compensation) Commissioner is of the opinion that to the best of his belief:

The Statement of Profit or Loss, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Financial Statements of the Motor Accidents (Compensation) Commission are drawn up so as to present fairly Motor Accidents (Compensation) Commission's financial position as at 30 June 2025 and its performance for the year ended on that date.

The financial statements are drawn up in accordance with Australian Accounting Standards and Interpretations, International Financial Reporting Standards, other mandatory professional reporting requirements, and the Motor Accidents (Compensation) Commission Act, as amended.



Will Oliver
MAC Commissioner

30 September 2025

Statement of profit or loss for the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Profit and Loss			
CTP contributions revenue	6	100,679	98,334
Insurance expense	6	(1,966)	(1,812)
Net CTP contribution revenue		98,713	96,522
Gross claims incurred	14 (b)	(120,659)	(92,735)
Insurance and other recoveries		6,003	5,463
Net claims incurred		(114,656)	(87,272)
Finance income	5	111,291	71,995
Finance cost		-	-
Other income		3,112	2,903
Grants provided to fund road safety programs		(4,566)	(4,410)
Depreciation and amortisation expense	12(b), 13	(94)	-
Management fees	7	(11,274)	(20,485)
Other expenses		(3,141)	(3,578)
Profit before tax		79,385	55,675
Income tax expense	2.4 (c)	-	-
Profit for the period		79,385	55,675

The total profit for the period is attributable to the owner.

The above Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Statement of financial position as at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
CURRENT ASSETS			
Cash and cash equivalents	8	3,637	122,989
Trade and other receivables	9	7,656	7,352
Investments in financial assets	10	1,287,691	1,036,518
Insurance and other recoveries receivable	11	16,260	19,348
Lease assets	12 (a)	408	-
Total Current Assets		1,315,652	1,186,207
NON-CURRENT ASSETS			
Insurance and other recoveries receivable	11	44,087	40,351
Property, plant and equipment	13	306	-
Total Non-Current Assets		44,393	40,351
Total Assets		1,360,045	1,226,558
CURRENT LIABILITIES			
Outstanding claims provision	14 (a)	47,871	46,275
Unearned CTP contributions	15	35,756	35,366
Trade and other payables	16	8,305	9,775
Provisions	22	6	5
Lease liabilities	12 (d)	422	-
Total Current Liabilities		92,360	91,421
NON-CURRENT LIABILITIES			
Outstanding claims provision	14 (a)	581,317	528,155
Provisions	22	1	-
Total Non-Current Liabilities		581,318	528,155
Total Liabilities		673,678	619,576
Net Assets		686,367	606,982
EQUITY			
Retained earnings		686,367	606,982
Total Equity		686,367	606,982

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of changes in equity for the year ended 30 June 2025

	Retained Earnings \$'000	Total \$'000
Balance as at 30 June 2023	551,307	551,307
Profit for the period	55,675	55,675
Total profit for the period	55,675	55,675
Transactions with owners in their capacity as owners		
Dividend paid	-	-
Balance as at 30 June 2024	606,982	606,982
Profit for the period	79,385	79,385
Total profit for the period	79,385	79,385
Transactions with owners in their capacity as owners		
Dividend paid	-	-
Balance as at 30 June 2025	686,367	686,367

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of cash flows for the year ended 30 June 2025

Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities		
CTP contributions received	109,924	108,184
Insurance paid	(1,948)	(1,817)
Claims paid	(60,509)	(49,615)
Insurance recoveries received	5,354	5,676
Trust distributions received	14,024	15,429
Interest received	6,170	6,476
Other income received	706	254
Interest paid	12 (17)	-
Acquisition costs paid	(1,287)	(1,248)
General and administrative expenses paid	(25,318)	(28,627)
Funding for road safety programs paid	(4,558)	(4,465)
Goods and services tax paid	(3,954)	(4,041)
Net cash flow from operating activities	20 (a)	38,587
		46,206
Cash flows from investing activities		
Proceeds from sale of investments	234,564	40,000
Purchase of investments	(392,116)	(17,511)
Payments for property, plant and equipment	(347)	-
Net cash flow used in investing activities	(157,899)	22,489
Cash flows from financing activities		
Repayment of lease liabilities	12 (c) (40)	-
Net cash flow used in financing activities	(40)	-
Net increase/(decrease) in cash and cash equivalents	(119,352)	68,695
Cash and cash equivalents at the beginning of the period	122,989	54,294
Cash and cash equivalents at the end of the period	8 3,637	122,989

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Corporate information

Motor Accidents (Compensation) Commission (“MACC”) is domiciled in the Northern Territory. The principal commercial activities of MACC are the administration of the MAC Scheme on behalf of the Northern Territory Government.

Motor Accidents (Compensation) Commission Principal Place of Business

Level 1, 80 Mitchell Street
DARWIN NT 0800

2. Summary of material accounting policies

2.1 Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Financial Management Act, Treasurer’s Directions, Motor Accidents (Compensation) Commission Act 2014, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The principal accounting policies adopted are consistent with those of the previous year, except where otherwise stated. The financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

These general-purpose financial statements were authorised by the MAC Commissioner on 30 September 2025.

The financial statements have been prepared in accordance with the fair value basis of accounting with certain exceptions as described in the accounting policies set below at Note 2.4. Motor Accidents (Compensation) Commission is a not for profit entity for financial reporting purposes. MACC is not subject to income tax as per Income Tax Assessment Act 1936 Part III Division 1AB section 24AK.

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that MACC will continue to operate in the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business.

- The Commissioner has reviewed MACC’s financial position, current performance, and future prospects.
- No significant uncertainties or material adverse conditions have been identified that would cast doubt upon MACC’s ability to continue as a going concern.

Based on this assessment, the Commissioner has a reasonable expectation that MACC has adequate resources to continue operating for at least the next 12 months from the date of this financial report. Therefore, MACC continues to adopt the going concern basis in preparing the financial statements.

2.3 Adoption of new and revised accounting standards

New and amended Australian Accounting Standards that are effective for the current year

Pronouncement	Impact
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants	<p>The amendments to AASB 101 <i>Presentation of Financial Statements</i> affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The application of the amendments did not have a material impact on the MACC's financial statements.</p>

Standards and Interpretations in issue not yet adopted

The following new and revised Standards and Interpretations have recently been issued or amended but are not yet effective.

Title	Issue/Amendment	Effective for reporting periods beginning on or after	Financial year expected to be applied	Likely impact on initial application
AASB S2 <i>Climate-related Disclosures</i>	<p>AASB S2 <i>Climate-related Disclosures</i> sets out disclosure requirements for an entity to provide useful information to primary users of its general-purpose financial report about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term.</p> <p>The main climate-related financial disclosure requirements relate to governance, strategy, risk management, and metrics and targets, including information about scenario analysis and Scope 1, Scope 2 and Scope 3 greenhouse gas emissions.</p>	1 July 2027	30 June 2028	MACC will undertake an assessment of any significant impacts to recognition, measurement, presentation, and disclosure against this new standard as appropriate.

2.3 Adoption of new and revised accounting standards continued...

Title	Issue/Amendment	Effective for reporting periods beginning on or after	Financial year expected to be applied	Likely impact on initial application
<i>AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i>	<p>This Standard amends requirements related to:</p> <p>(a) settling financial liabilities using an electronic payment system; and</p> <p>(b) assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features.</p> <p>This Standard also amends disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.</p>	1 January 2026	30 June 2027	<p>When these amendments are first adopted there will be no material impact on the MACC's financial statements.</p> <p>However, there may be changes in disclosures for investments and financial instruments.</p>
<i>AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11</i>	<p>These annual improvements are sufficiently minor or narrow in scope and are limited to changes that either clarify the wording in an AASB Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the standards.</p>	1 January 2026	30 June 2027	When these amendments are first adopted there will be no material impact on the MACC's financial statements.
<i>AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability</i>	<p>This Standard amends AASB 121 and AASB 1 to improve the usefulness of information provided to users of financial statements. The amendments require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.</p>	1 January 2025	30 June 2026	When these amendments are first adopted there will be no impact on the MACC's financial statements.

2.3 Adoption of new and revised accounting standards continued...

Title	Issue/Amendment	Effective for reporting periods beginning on or after	Financial year expected to be applied	Likely impact on initial application
AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	<p>Amends AASB 17 Insurance Contracts to include modifications that apply to public sector entities;</p> <p>Amends AASB 1050 Administered Items to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 Provisions, Contingent Liabilities and Contingent Assets in determining the information to be disclosed about administered captive insurer activities; and</p> <p>Repeals AASB 4 <i>Insurance Contracts</i> and AASB 1023 <i>General Insurance Contracts</i> and reverses the temporary consequential amendments set out in AASB 2022-8 that amended various Standards to permit public sector entities to continue applying AASB 4 and AASB 1023 to annual periods beginning on or after 1 January 2023 but before 1 July 2026 given AASB 17</p> <p>AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i>. As a result, the requirements in AASB 101 have been:</p> <ul style="list-style-type: none"> (a) replaced by new requirements in AASB 18; (b) transferred to AASB 18 with only limited wording changes; or (c) moved to AASB 108 <i>Basis of Preparation of Financial Statements</i> or AASB 7 <i>Financial Instruments</i>: <p>Disclosures with only limited wording changes.</p> <p>AASB 18 has also introduced changes to other Australian Accounting Standards, including AASB 107 <i>Statement of Cash Flows</i>, AASB 133 <i>Earnings per Share</i> and AASB 134 <i>Interim Financial Reporting</i>.</p>	1 July 2026	30 June 2027	<p>MACC has completed a gap analysis to assess and implement the requirements of AASB 17. Due to the complexity of the standard, detailed assessments continue to be performed, with the impact on the recognition, measurement and disclosure of insurance contracts still being determined.</p>

2.3 Adoption of new and revised accounting standards continued...

Title	Issue/Amendment	Effective for reporting periods beginning on or after	Financial year expected to be applied	Likely impact on initial application
AASB 18 <i>Presentation and Disclosure in Financial Statements</i>	<p>AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i>. As a result, the requirements in AASB 101 have been:</p> <ul style="list-style-type: none"> (a) replaced by new requirements in AASB 18; (b) transferred to AASB 18 with only limited wording changes; or (c) moved to AASB 108 <i>Basis of Preparation of Financial Statements</i> or AASB 7 <i>Financial Instruments</i>: <p>Disclosures with only limited wording changes.</p> <p>AASB 18 has also introduced changes to other Australian Accounting Standards, including AASB 107 <i>Statement of Cash Flows</i>, AASB 133 <i>Earnings per Share</i> and AASB 134 <i>Interim Financial Reporting</i>.</p>	1 January 2027	30 June 2028	<p>This Standard will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.</p>

2.4 Material accounting policies

MACC's primary operation is to administer the MAC Scheme pursuant to the MACC Act. All accounting policies are consistent with the previous year unless otherwise stated.

a) Revenue recognition

The following specific recognition criteria are used before revenue is recognised:

Compulsory Third Party contributions ("CTP contributions or contributions")

CTP contributions relate to amounts charged to owners of motor vehicles registered in the Northern Territory that relate to the funding of the MAC Scheme. The earned portion of CTP contributions collected, and receivable are recognised as revenue. CTP contributions are treated as earned from the date of attachment of risk.

The pattern of recognition of income over the contribution is in accordance with the pattern of time to which the contribution relates. Unearned CTP contribution liability, which is the proportion of contribution collected or receivable not earned in the Statement of Profit or Loss, is determined by apportioning the CTP contribution in the year over the periods of indemnity from the attachment of risk and is treated as a liability in the Statement of Financial Position at the reporting date.

Insurance and other recoveries receivable

Insurance and other recoveries receivable on paid claims expenses, reported claims not yet paid, claims incurred but not reported are recognised as revenue.

Recoveries receivable are assessed in a manner similar to the assessment of outstanding claims provision. Recoveries receivable are measured as the present value of the expected future receipts, calculated on the same basis as the provision for outstanding claims. The details of discount and inflation rates applied are included in Note 3.

Interest

Interest income is recognised under the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the financial asset.

Rental revenue

Rental revenue is recognised as income on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

b) Insurance expense

Insurance expense is recognised in the Statement of Profit or Loss from the attachment date over the period of indemnity of the contributions received in accordance with the pattern of insurance protection received. Where appropriate, an unearned portion of insurance expense is treated at the reporting date as an asset.

c) Income taxes

MACC is not subject to income tax as per *Income Tax Assessment Act 1936 Part III* Division 1AB Section 24AK and accordingly MACC is not subject to the National Tax Equivalents Regime and has no tax related balances or transactions recorded.

d) Receivables

Receivables comprise CTP contributions receivable, interest receivables, other debtors and insurance and other recoveries on claims paid. These amounts are initially recognised at fair value. Trade receivables that do not contain a significant financing component are measured at the transaction price.

CTP contribution receivable and insurance recoveries on claims paid, which include amounts due from insurers and intermediaries, are subsequently measured at amortised cost. MACC holds trade receivables and other debtors with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method.

2.4 Material accounting policies continued...

For trade receivables MACC applies a simplified approach in calculating ECL's. MACC recognises a loss allowance based on lifetime ECL's at each reporting date. MACC has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable.

The resulting impairment charge is recognised in the Statement of Profit or Loss.

e) Goods and services tax ("GST")

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

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable or payable to the taxation authority 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.

f) Dividend

Pursuant to Section 20 of the *Motor Accidents (Compensation) Commission Act 2014*, the Minister may direct that any amount of funds held by MACC which, in the Minister's opinion, is in excess of that required as adequate provision for actual and contingent liabilities or for the reasonable operational and other expenses of MACC shall be paid by MACC to the Central Holding Authority of the Northern Territory.

g) Financial instruments

Financial assets and financial liabilities are recognised on MACC's Statement of Financial Position when MACC becomes a party to the contractual provisions of the instrument.

Financial assets

Cash and cash equivalents, interest receivables and investment assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Receivables

Refer to note 2.4 (d).

Investments

MACC actively manages its investment portfolio to ensure that investments mature in accordance with the expected pattern of future cash flows arising from outstanding claim provisions.

Government bonds and units in trust funds are classified "*at fair value through profit and loss*" because the business model test is neither to collect contractual cash flows, nor to collect contractual cash flows and sell the assets. Hence these investments are mandatorily required to be measured at fair value through profit and loss.

i) Classification

MACC classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit and loss, and
- those measured at amortised cost.

The classification depends on MACC's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit and loss.

MACC reclassifies debt investments when and only when its business model for managing those assets changes.

2.4 Material accounting policies continued...

ii) Recognition and derecognition

All purchases and sales of financial assets that require delivery of the asset within the time frame established by regulation or market convention ('regular way' transactions) are recognised on the date of settlement, being the date the asset is delivered to or by MACC.

In cases where the period between trade and settlement exceeds this time frame, the transaction is also recognised at settlement date. Financial assets are derecognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and MACC has transferred substantially all the risks and rewards of ownership or control of the asset.

Finance revenue, comprising trust distributions and interest, is brought to account on an accrual basis. Revenue on investments in unlisted trust funds is deemed to accrue on the date the distributions are declared.

iii) Measurement

At initial recognition MACC measures financial assets at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are

added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on MACC's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which MACC classifies its debt instruments:

- Amortised costs: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in the Statement of Profit or Loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCL are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the Statement of Profit or Loss.

Equity instruments

MACC subsequently measures all equity investments at fair value. Changes in fair value of financial assets at FVPL are recognised in the Statement of Profit or Loss.

iv) Impairment

MACC assesses on a forward looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortised cost. MACC uses a provision matrix to calculate the ECL for trade receivables and uses the simplified approach for insurance recoveries on claims paid.

h) Fair value measurement

A number of MACC's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

MACC has overall responsibility for overseeing all significant fair value measurements. MACC regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then MACC assesses the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

2.4 Material accounting policies continued...

Significant valuation issues are reported to the MACC Commissioner.

When measuring the fair value of an asset or a liability, MACC uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: the fair value is calculated using quoted prices in active markets.
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement.

MACC recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

i) Management Fee

The management of the MACC Fund and Scheme is under the provision of the management agreement between the Northern Territory Government and Allianz Australia Insurance Limited (Manager), effective 1 January 2025. In consideration, MACC pays a management fee in accordance with the provision of the management agreement.

The management agreement is a 7-year contract with a 3-year option to extend, beginning 1 January 2025 for the provision of the following services:

- Manage all claims in respect of the MACC Scheme, pay benefits, and settle claims for benefits.

- Undertake all duties and perform all roles of MACC under the MACC Act, except to the extent that the power of function has been expressly reserved to MACC under the contract or by written notice by MACC.

- Enter into any MACC Scheme Contracts (including in relation to management of the MACC Fund, MACC Agency Contracts) which it is required to enter into, or it considers appropriate or desirable for the purposes of managing the MACC Scheme and / or MACC Fund, to which it is not expressly prohibited from entering.
- Administer the MACC Fund in accordance with the MACC Act and Prudential Documents.
- Perform such other functions as the parties agree in writing from time to time.

The management fee payable for the provision of management services is comprised of the following:

a) Base remuneration which is adjusted for each period in accordance with:

i) the Service Level Bonus/Malus; and

The Base remuneration and amounts used in the calculation of the Service Level Bonus/Malus are adjusted on each CPI adjustment date by the applicable CPI.

j) Funding for road safety programs

MACC provides the Northern Territory Government with funds to meet certain costs in relation to the operation of the road safety programs.

k) Claims provision

The MACC Fund does not fall within the scope of Australian Accounting Standard AASB 1023: *General Insurance Contracts* as its operations are not underpinned by contracts of insurance with its members. Accordingly, the provision for estimated future claim costs is based on AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*.

2.4 Material accounting policies continued...

The outstanding claims provision is measured as the central estimate of the present value of expected future payments against claims incurred at the reporting date, with no addition of an explicit risk margin.

Claims include statutory benefits and compensation claimed by eligible persons as defined under the Motor Accidents (Compensation) Act 1979 (“MAC Act”).

Claims expense and the outstanding claims provision are recognised in respect of MAC Scheme. The provision covers claims reported but not yet paid, incurred but not reported claims (“IBNR”) and the anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by review of individual claim files and estimating changes in the ultimate cost of settling claims, IBNRs and settlement costs using statistics based on past experience and trends. Valuation of outstanding claims is subject to independent actuarial assessment.

The outstanding claims provision is measured as the present value of 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 inflation. The expected future payments are discounted to present value at the Statement

of Financial Position date using a risk free rate. The details of rates applied are included in Note 3.

I) Contingent liabilities and contingent assets

Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes to the financial statements, unless the possibility of settlement is remote, in which case no disclosure is made. If settlement becomes probable, a provision is recognised.

Contingent assets are not recognised in the Statement of Financial Position but are disclosed in the notes to the financial statements when inflows are probable. If inflows become virtually certain, an asset is recognised. The amount disclosed as a contingent liability or contingent asset is the best estimate of the settlement or inflow.

m) Foreign currencies

The Financial Statements are presented in Australian dollars (AUD), which is MACC’s functional currency.

In preparing the financial statements of MACC, transactions in currencies other than MACC’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Foreign exchange differences arising on translation are recognised in the statement of profit and loss in the period in which they arise.

n) Commitments

Commitments are not recorded in the Statement of Financial Position but are disclosed in the financial statements.

o) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

p) Rounding of amounts

Amounts in the financial statements are presented in Australian dollars and have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2.5 Critical accounting judgments and estimates

MACC makes estimates, judgments and assumptions in respect of certain key assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas in which critical estimates are applied are described below and relate to outstanding claims provision and insurance recoveries assets.

a) The ultimate liability arising from Compulsory Third Party

Provision is made at the year-end for the estimated cost of claims incurred but not yet settled at the Statement of Financial Position date, including the cost of claims incurred but not yet reported to MACC. The estimated cost of claims provision includes direct expenses to be incurred in settling claims gross of the expected value of salvage and other recoveries.

MACC takes all reasonable steps to ensure that it has appropriate information regarding its outstanding claims provision exposures. However, given the uncertainty in establishing claims provision, it is likely that the final outcome will prove to be different from the liability established at 30 June 2025.

The estimation of claims incurred but not reported ('IBNR') is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to MACC, where more information about the claim event is generally available. IBNR claims may often not be apparent to MACC until many years after the events giving rise to the claims have happened. There is also typically a greater variation between initial estimates and final outcomes due to the uncertainty in estimating the ultimate cost of claims reported.

In calculating the estimated cost of unpaid claims MACC uses a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- Changes in MACC processes which might accelerate or slow down the development and/or recording of paid or incurred claims, compared with the statistics from previous periods
- Changes in the legal environment
- The effects of inflation
- The impact of large losses
- Movements in industry benchmarks
- Medical and technological developments.

A component of these estimation techniques is usually the estimation of the cost of notified but not paid claims. In estimating the cost of these claims MACC has regard to the claimcircumstance as reported, any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods.

Large claims (mostly lifetime care) are generally assessed separately, being measured on a case by case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims.

2.5 Critical accounting judgments and estimates continued...

Where possible, MACC adopts multiple techniques to estimate the required level of provisions. This assists in giving greater understanding of the trends inherent in the data being projected. The projections given by the various methodologies also assist in setting the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of long tail claims (mostly lifetime care), short tail claims, and common law claims and the extent of the development of each accident year.

Claims provisions are calculated gross of any insurance and other recoveries. A separate estimate is made of the amounts that will be recoverable from insurers and third parties based upon the gross provisions.

Details of specific assumptions used in deriving the outstanding claims provisions at year end are included in Note 3.

b) Assets arising from insurance and other recoveries

Assets arising from insurance and other recoveries are also computed using the above methods. The recoverability of these assets is assessed on a periodic basis to ensure that the balance is reflective of the amounts that will ultimately be received, taking into consideration factors such as counterparty and credit risk. Impairment is recognised where there is objective evidence that MACC may not receive amounts due to it and these amounts can be reliably measured.

3. Actuarial assumptions and methods

Provisions of claims estimates for MACC are derived from analysis of the results of several different actuarial models including claims incurred, payment per active claims, claims estimates, loss ratio and annuity. Payment reporting patterns and payment experience are analysed to develop a weighting to each method that the actuary expects to best represent likely future payments at the valuation date.

Claims inflation is incorporated into the resulting projected payments, to allow for both general economic inflation as well as any superimposed inflation detected in the modelling of payments experience.

Projected payments are discounted to allow for the time value of money. Long tail claims are also subject to the emergence of new types of latent claims, but no specific allowance is included for this as at the Statement of Financial Position date.

Actuarial assumptions

The following assumptions were made in determining the outstanding claims provisions.

	2025	2024
Average weighted term to settlement (years)	14.45	14.96
Average claim frequency (latest accident year)	0.23%	0.21%
Average claim size (\$)	172,254	165,782
Expense rate *	15.00%	13.11%
Discount rate	3.06%-5.56%	3.88%-5.06%
Inflation	3.25%-4.00%	3.25%-3.78%

*15% (2024: 16%) is used for the period applicable to the MAC management agreement. A rate of 15% (2024: 13.0%) has been applied for the period after 1 January 2025.

3. Actuarial assumptions and methods continued...

Process used to determine assumptions

A description of the processes used to determine these assumptions is provided below:

Average weighted term to settlement

The average weighted term to settlement is calculated separately by class of business based on historical payment patterns.

Average claim frequency

Claim frequency is estimated by projecting the number of claims incurred based on past patterns and dividing this by the number of policies in force.

Average claim size

Ultimate cost divided by the ultimate number of claims.

Expense rate

Claims handling expenses were calculated through the application of the claims handling expense (CHE) rate to central estimate of gross outstanding claims liability. The rate is derived with reference to 60% (2024: 60%) of the budgeted base contract fee as a proportion of expected claim payments.

Discount rate

Discount rates derived from market yields on Commonwealth Government securities as at the reporting date have been adopted.

Inflation

Economic inflation assumptions are set by reference to current economic indicators.

Attendant care hours

Starting hours for lifetime care claimant is selected with reference to information received from the Manager for claimants at least three years post injury, supplemented with reference to benchmarks for injuries that are more recent.

Attendant care superimposed inflation

Superimposed inflation assumptions are set by reference to a range of economic indicators and market conditions, to estimate potential increases to attendant care rates above economic inflation.

Lifetime claim numbers

Lifetime care claim numbers in the aggregate claims model are set with reference to eligible lifetime care claims accepted in prior accident years.

3. Actuarial assumptions and methods continued...

Sensitivity analysis

i) Summary

MACC conducts sensitivity analyses to quantify the exposure to risk of changes in the key underlying variables. The valuations included in the reported results are calculated using certain assumptions about these variables as disclosed above. The movement in any key variable will impact the performance and equity of MACC. The tables below describe how a change in each key assumption will affect the outstanding claims provision and shows an analysis of the sensitivity of the profit/(loss) and equity to changes in these assumptions both gross and net of insurance.

Variable	Impact of movement in variable
Average weighted term to settlement	A decrease in the average term to settlement in the long tail classes would lead to more claims being paid sooner than anticipated. Expected payment patterns are used in determining the outstanding claims provision. An increase or decrease in the average weighted term would have a corresponding increase or decrease on claims expenses respectively.
Average claim frequency	Claims frequencies are used in determining the level of claims incurred but not reported (IBNR). An increase or decrease in the assumed average frequency levels would have a corresponding impact on claims expense.
Expense rate	An estimate for the internal costs of handling claims is included in the outstanding claims provision. An increase or decrease in the expense rate assumption would have a corresponding impact on claims expense.
Discount rate	The outstanding claims provision is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. An increase or decrease in the assumed discount rate will have an opposing impact on total claims expense.
Inflation	Expected future payments are inflated to take account of inflationary increases. Such rates of inflation are specific to the model adopted. An increase or decrease in the assumed levels of inflation would have a corresponding impact on claims expense, with particular reference to longer tail business.
Average claim size	Average amount paid per claim. An increase or decrease in the average claim size would have a corresponding impact on claims expense.
Attendant care hours	An increase or decrease in the starting hours selected for each claimant would increase or decrease the attendant care benefits being paid to each claimant and have a corresponding impact on the total claims expense.
Attendant care superimposed inflation	Expected future attendant care payments are increased by superimposed inflation to attendant care rates in addition to economic inflationary increases. An increase or decrease to superimposed inflation assumptions would have a corresponding impact on the claims expense.
Lifetime care numbers	An increase or decrease in the claim numbers in the aggregate claims model would have a corresponding impact on the claims expense.

3. Actuarial assumptions and methods continued...

ii) Impact of changes in key variables

MACC	Effect on Profit/(loss) before tax		
	Gross of insurance \$'000	Net of insurance \$'000	Equity \$'000
Weighted term to settlement	+10%	3,077	3,073
	-10%	(3,092)	(3,089)
Average claim frequency – latest accident year	+10%	(8,066)	(8,066)
	-10%	8,066	8,066
Average claim size	+10%	(60,409)	(56,989)
	-10%	60,409	56,989
Expense rate	+1%	(5,253)	(5,253)
	-1%	5,253	5,253
Discount rate	+1%	70,363	69,680
	-1%	(89,051)	(88,326)
Inflation	+1%	(89,082)	(88,363)
	-1%	71,572	70,881
Attendant care hours	+10%	(15,768)	(14,438)
	-10%	8,165	6,822
Attendant care superimposed inflation	+10%	(9,494)	(9,494)
	-10%	9,498	9,498
Lifetime care numbers	+1	(14,425)	(14,425)
	-1	14,425	14,425

4. Risk management policies and procedures

a) Objectives in managing risks arising from CTP contribution scheme and policies for mitigating those risks

MACC has an objective to control CTP contributions risk thus reducing the volatility of operating profits. In addition to the inherent uncertainty of risks attached to CTP contributions, which can lead to significant variability in the loss experience, profits from the scheme are affected by market factors. Short-term variability is, to some extent, a feature of CTP contribution schemes.

The MAC Commissioner, through the management agreement with Allianz, has developed, implemented and maintained a sound and prudent Risk Management Strategy (RMS) and Reinsurance Management Strategy (ReMS). ReMS relates to insurance transactions with MACC.

The RMS and ReMS identify MACC's policies and procedures, processes and controls that comprise its risk management and control systems. These systems address all material risks, financial and non-financial, likely to be faced by MACC.

The RMS and ReMS have been approved by the MAC Commissioner. Key aspects of these processes established in both the RMS and ReMS to mitigate risks include:

- The maintenance and use of management information systems, which provide up to date, reliable data on the risks to which the business is exposed at any point in time.
- Multiple claim events are more challenging to manage. MACC monitors exposure to such risks through special modelling techniques involving the collation of data on historical claim events which support decisions on limiting exposure.

- Insurance is used to limit MACC's exposure to large single and multiple claim events. When selecting an insurer MACC only considers those companies that provide high security. In order to assess this, MACC use rating information from the public domain or gathered through internal investigations.

- In order to limit concentrations of credit risk, in purchasing insurance MACC has regard to existing insurance assets and seeks to limit excess exposure to any single reinsurer or group of related insurers.

- The mix of assets in which MACC invests is driven by the nature and term of the Schemes liabilities.

b) Terms and conditions of the MAC Act

The terms and conditions of the MAC Act attaching to each CTP contribution affect the level of risk accepted by MACC. There are no special terms and conditions in any non-standard contracts that have a material impact on the financial statements. All CTP contributions registered in the Northern Territory are subject to substantially the same terms and conditions.

c) Interest rate and credit risk

Refer Note 20.

4. Risk management policies and procedures continued...

d) Insurance counterparty risk

MACC insures a portion of risks to control exposure to losses, reduce volatility and protect capital. MACC's strategy in respect of the selection, approval and monitoring of insurance arrangements is addressed by the following protocols, which are overseen by the MACC Commissioner:

- Treaty or facultative insurance is placed in accordance with the requirements of MACC's insurance management strategy.
- Insurance arrangements are regularly reassessed to determine their effectiveness based on current exposures, historical losses and potential future losses based on Realistic Disaster Scenarios and MACC's Maximum Event Retention.
- Exposure to insurance counterparties and the credit quality of those counterparties is actively monitored.
- Insurance contracts are expected to be commuted 10 years following the inception of the contract. Commutation recoveries are assessed based on the commutation agreement for each insurance arrangement. Commutation agreements provide for the valuation, payment, and complete discharge of all obligations between the parties under a particular insurance contract. Commutation settlements are due and payable to MACC immediately upon agreement of the commutation, unless otherwise stated.

Strong controls are maintained over insurance counterparty exposures. Insurance is placed with counterparties that have a strong credit rating and concentration of risk is managed by adherence to counterparty limits. Counterparty limits are reviewed by management on a regular basis. Credit risk exposures are calculated regularly and compared with authorised credit limits.

e) Foreign currency risk

Refer Note 20.

5. Finance income

	2025 \$'000	2024 \$'000
Finance income		
<i>Interest on financial assets measured at amortised cost:</i>		
Interest income - Bank	4,785	3,660
	4,785	3,660
<i>Investment income measured at fair value through profit and loss:</i>		
Bond coupons	915	2,927
Trust distributions	65,921	53,661
Change in the fair value of investments	32,424	9,460
Net gain on the disposal of investments	5,603	2,449
Foreign currency gain/(loss)	1,643	(162)
	106,506	68,335
Total finance income	111,291	71,995

6. Net CTP contributions revenue

	2025 \$'000	2024 \$'000
CTP contributions received	101,069	98,916
Movement in unearned CTP contributions	(390)	(582)
CTP contributions revenue	100,679	98,334
Insurance expense	(1,966)	(1,812)
Net CTP contributions revenue	98,713	96,522

7. Management fees

	2025 \$'000	2024 \$'000
Scheme management fees	10,789	20,025
Investment management fees	485	460
Management fees	11,274	20,485

8. Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank and on hand	3,637	122,989
Cash held with custodian	-	-
Total cash and cash equivalents	3,637	122,989

9. Trade and other receivables

	2025 \$'000	2024 \$'000
CTP contributions receivable	2,330	1,912
Less: allowance for impairment loss	-	-
	2,330	1,912
Interest receivable	-	445
 Distribution receivable	 4,805	 4,502
Others	520	493
Total trade and other receivables	7,655	7,352

10. Investments in financial assets

	2025 \$'000	2024 \$'000
Investments in financial assets classified at FVTPL:		
Bonds	-	88,881
Units in unlisted trust funds	1,287,691	947,637
Total Investments in financial assets classified at FVTPL	1,287,691	1,036,518
<i>Current financial assets</i>		
Bonds	-	88,881
Units in unlisted trust funds	1,287,691	947,637
Total current financial assets	1,287,691	1,036,518

The financial assets included above represent investments in unlisted trust funds and bonds, which offer MACC the opportunity for return through interest income, trust distributions, fee rebates and fair value gains.

11. Insurance and other recoveries receivable

	2025 \$'000	2024 \$'000
Undiscounted on claims paid	1,049	830
Expected future recoveries undiscounted on outstanding claims provisions	76,837	75,432
Discount to present value	(17,539)	(16,563)
Discounted expected future recoveries on outstanding claims provisions (Note 13 (c))	59,298	58,869
Insurance and other recoveries receivable	60,347	59,699
Current	16,260	19,348
Non-current	44,087	40,351
Insurance and other recoveries receivable	60,347	59,699

Average inflation rates (normal) and discount rates that were used in the measurement of insurance and other recoveries receivable were the same as for outstanding claims provision as per note 3.

12. Leases

Leases as a lessee

MACC has lease contracts for the following:

- Office premises at L1/80 Mitchell St Darwin City, NT 0800. The lease term commenced 01 September 2024 and was for a period of seven years, expiring on the 31 August 2031. The lease contract will give rise to an annual commitment of \$68,000 (excluding GST) and will increase 3.5% annually.
- Office storage at the basement of 80 Mitchell St Darwin City, NT 0800. The lease term commenced on 5 May 2025, expiring on 31 August 2031. The lease contract will give rise to an annual commitment of \$3,120 (excluding GST) and will increase by CPI annually.

Information about leases for which MACC is a lessee is presented below:

a) Right-of-use assets

	Office premises \$'000	Total \$'000
Balance at 30 June 2023	-	-
Addition to right-of-use assets	-	-
Depreciation charge for the year	-	-
Balance at 30 June 2024	-	-
Addition to right-of-use assets	461	461
Depreciation charge for the year	(53)	(53)
Balance at 30 June 2025	408	408

b) Amounts recognised in profit or loss

	2025 \$'000	2024 \$'000
Depreciation expense on right-of-use assets	53	-

Variable lease payments not recognised in the related lease liability are expensed as incurred.

c) Amounts recognised in statement of cash flows

	2025 \$'000	2024 \$'000
Total cash outflow for leases	(69)	-

At 30 June 2025, the total cash outflow for leases amount to \$69 (2024: \$0).

12. Leases continued...

d) Maturity analysis

A maturity analysis of lease liabilities based on discounted cash flows is reported in the table below:

	2025 \$'000	2024 \$'000
Less than one year	54	-
One to two years	59	-
Two to three years	64	-
Three to four years	70	-
Four to five years	77	-
More than five years	98	-
Total lease liabilities	422	-

MACC does not face a significant liquidity risk with regard to its lease liabilities.

13. Property, plant and equipment

Carrying amounts

	2025 \$'000	2024 \$'000
Office furniture and equipment		
At cost	16	-
Accumulated depreciation and impairment	(2)	-
	14	-
Leasehold improvements		
At cost	331	-
Accumulated depreciation and impairment	(39)	-
	292	-
	306	-

Movement in carrying amount

	Office furniture and equipment \$'000	Leasehold assets \$'000	Total \$'000
Balance at 1 July 2024	-	-	-
Additions	16	331	347
Depreciation	(2)	(39)	(41)
Balance at 30 June 2025	14	292	306

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset:

- Office furniture and equipment 5 – 10 years
- Leasehold assets Lease term, 7 years

14. Outstanding claims provision

a) Outstanding claims provision

	2025 \$'000	2024 \$'000
Central estimate undiscounted	1,251,340	1,165,259
Claims handling costs undiscounted	181,752	149,482
Gross claims incurred undiscounted	1,433,092	1,314,741
Discount to present value	(803,904)	(740,311)
Gross outstanding claims provision	629,188	574,430
Central estimate discounted	550,395	509,756
Current	47,871	46,275
Non-current	581,317	528,155
Gross outstanding claims provision	629,188	574,430

b) Reconciliation of movement in discounted outstanding claims provision including claim handling expense

	2025			2024		
	Gross \$'000	Insurance \$'000	Net \$'000	Gross \$'000	Insurance \$'000	Net \$'000
Brought forward	574,431	(58,869)	515,562	535,669	(59,023)	476,646
Effect of changes in assumptions	30,475	8,103	38,578	19,621	(517)	19,104
Increase in claims incurred/recoveries anticipated over the year	90,184	(14,106)	76,078	73,114	(4,946)	68,168
Incurred claims recognised in the Statement of Profit or Loss	120,659	(6,003)	114,656	92,735	(5,463)	87,272
Net claim payments	(65,902)	5,573	(60,329)	(53,974)	5,617	(48,357)
At 30 June	629,188	(59,299)	569,889	574,430	(58,869)	515,561

14. Outstanding claims provision continued...

c) The maturity profile of MACC's discounted net outstanding claims provision is analysed below.

	1 year or less \$'000	> 1 year and < 5 years \$'000	> 5 years \$'000	Total \$'000
30 June 2025				
MACC	32,660	104,773	432,456	569,889

Total discounted net outstanding claims provision 32,660 104,773 432,456 569,889

	1 year or less \$'000	> 1 year and < 5 years \$'000	> 5 years \$'000	Total \$'000
30 June 2024				
MACC	27,758	91,913	395,890	515,561

Total discounted net outstanding claims provision 27,758 91,913 395,890 515,561

d) Summary of the inflated and discounted net central estimate of outstanding claims liabilities excluding claim handling expense combining each of the segments is shown below.

	2025			2024		
	General claims \$'000	Lifetime care claims \$'000	Total \$'000	General claims \$'000	Lifetime care claims \$'000	Total \$'000
Gross central estimate	205,492	344,903	550,395	181,626	328,130	509,756
Non-insurance recoveries	(9,400)	(15,701)	(25,101)	(5,868)	(10,700)	(16,568)
Insurance recoveries	(95)	(34,102)	(34,197)	(160)	(42,141)	(42,301)
Net central estimate	195,997	295,100	491,097	175,598	275,289	450,887

Lifetime care claims

Lifetime care claims are claims eligible for lifetime attendant care services. The lifetime care claims are drawn from two groups:

- Claims with an injury prior to 1/7/2014 require a whole person impairment score of 60% or greater to qualify for lifetime attendant care.
- Claims with an injury on and after 1/7/2014 must meet the National Injury Insurance Scheme (NIIS) definition of serious injury as specified in the regulation with lifetime acceptance status.

Lifetime care claims are individually valued only when the claims are at least three development years old, because until that time the consequences of the injury are unclear. At 30 June 2025, the net central estimate includes 110 individually priced claims (2024: 111) and the estimated costs for 27 lifetime care claims, which are made up of 9 claims for 3 development years (2024: 27) lifetime care claims, which are made up of 9.0 claims for 3 development years).

General claims

The remaining claims are referred to as "general claims" even though some have long term entitlements for medical or loss of earnings capacity (LOEC) and are valued using aggregate methods. The general claims valuation includes payments made during the first three development years for claims that will ultimately be classified as lifetime.

15. Unearned CTP contributions

	2025 \$'000	2024 \$'000
Unearned CTP contributions	35,366	34,784
as at 1 July		
Deferral of contributions received in the period	35,756	35,366
Earning of contributions received in previous periods	(35,366)	(34,784)
Unearned CTP contributions	35,756	35,366
as at 30 June		

16. Trade and other payables

	2025 \$'000	2024 \$'000
Trade payables	7,968	9,621
GST payables	337	154
Total trade and other payables	8,305	9,775

17. Equity and reserves

Dividends

No dividends were declared this financial year.

18. Remuneration of auditors

The auditor of MACC is the Auditor-General for the Northern Territory.

	2025 \$	2024 \$
Amounts paid, or due and payable to the NT Government for services provided by the Northern Territory Auditor-General for:	369,589	355,875
Audit of MACC financial statements	369,589	355,875

19. Related party disclosure

a) Related Parties

The Northern Territory Government is the ultimate parent entity of MACC. Companies and/or agencies that have the Northern Territory Government as a common parent are considered related parties to MACC.

The related parties of MACC include:

- the MAC Commissioner and Director as MACC's key management personnel (KMP) for having authority and responsibility for planning, directing, and controlling the activities of MACC directly; and
- spouses, children, and dependants who are close family members of the MAC Commissioner and Director; and
- all public sector entities that are controlled and consolidated into the whole of government financial statements; and
- any entities controlled or jointly controlled and consolidated into the whole of government financial statements; and
- any entities controlled or jointly controlled by the MAC Commissioner or controlled or jointly controlled by their close family members.

b) Remuneration of Key Management Personnel

Compensation of key management personnel	2025 \$	2024 \$
Short term benefits	425,736	312,835
Post employment benefits	48,333	33,607
Long term benefits	5,529	1,428
	479,598	347,871

19. Related party disclosure continued...

c) Other related party disclosures:

The following is a list of transactions that MACC enters into with related parties at market price and on normal commercial terms.

Cash collected

Related Party	Details
Motor Vehicle Registry	CTP Contributions collected on behalf of MACC from motor vehicle registrations to fund the MACC Scheme

Expenses

Related Party	Details
Jacana Energy	Electricity transactions
NT Auditor-General's Office	Audit fees for MACC
NT Police Force	Road safety funding
Receiver of Territory Monies	Road safety funding
Motor Vehicle Registry	Administration fees

Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

For the year ended 30 June 2025, MACC has not made any allowance for doubtful debts relating to amounts owed by related parties as the payment history does not warrant an allowance (2024: \$nil).

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

	2025				2024			
	Revenue from related parties \$'000	Payments to related parties \$'000	Amounts owed from related parties \$'000		Revenue from related parties \$'000	Payments to related parties \$'000	Amounts owed from related parties \$'000	
			owed from related parties \$'000	Amounts owed to related parties \$'000			owed from related parties \$'000	Amounts owed to related parties \$'000
All NTG Government departments	-	5,103	-	407	-	5,083	-	315

20. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	2025 \$'000	2024 \$'000
Net Profit	79,385	55,675
Depreciation and amortisation expense	94	-
Amortisation of interest expense	24	(53)
Provision for impairment losses	-	4
Changes in net market value of investments	(32,424)	(9,460)
Profit on sale of investment securities	(5,603)	(2,449)
Foreign exchange gain	(1,643)	162
Distributions reinvested for units in managed funds	(51,594)	(37,642)
Rebates reinvested for units in managed funds	(2,406)	(2,649)
<i>Changes in operating assets and liabilities:</i>		
(Increase)/Decrease in receivables	(277)	(524)
(Increase)/Decrease in insurance and other recoveries receivable	(648)	213
Increase/(Decrease) in outstanding claims provisions	54,757	38,762
Increase/(Decrease) in unearned CTP contributions	390	582
Increase/(Decrease) in payables	(1,652)	3,594
Increase/(Decrease) in employee benefits and other liabilities	1	9
Increase/(Decrease) in GST payable	183	(18)
Net cash inflow from operating activities	38,587	46,206

b) Non-cash financing and investing activities

During the year, distribution and rebates received from unlisted trust funds were satisfied by the issue of units under the reinvestment plan	54,000	40,291
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21. Risk management and financial instruments information

Classes of Financial Instruments

	2025 \$'000	2024 \$'000
Financial Assets		
Cash and cash equivalents	3,637	122,989
Interest receivables and others	520	938
Distributions receivable	4,805	4,502
CTP contributions receivable	2,330	1,912
Insurance recoveries on claims paid	1,049	830
Bonds	-	88,881
Units in unlisted trust funds	1,287,691	947,637
Financial Liabilities		
Trade creditors and accruals	7,968	9,621
Lease liabilities	422	

Financial Risk Management objectives

MACC has exposure to the following key financial risks through the use of financial instruments:

- Market risk (interest rate risk and price risk)
- Credit risk
- Liquidity risk

Exposure to these financial risks is managed in accordance with the Risk Management Strategy (RMS) and Investment Policy (IP). The principal objective of MACC's IP is to establish a robust structure for the investment of and measuring, monitoring and reporting of financial investments and financial risks.

MACC seeks to manage financial risks to:

- Ensure there is sufficient cash flow available to meet contractual obligations.
- Outperform an asset allocation strategy benchmark set by the Investment Committee based on the expected growth in the liability portfolio.

The MACC Commissioner has overall responsibility for the establishment and oversight of the risk management strategy. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and MACC's activities.

21. Risk management and financial instruments information continued...

Financial Risk Management structure

The MACC Commissioner has ultimate responsibility for risk management and governance, including ensuring an appropriate risk framework is in place and is operating effectively.

a) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market factors. Market risk at MACC comprises interest rate risk due to fluctuations in market interest rates, and price risk due to fluctuations in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

(i) Interest rate risk

MACC's exposure to interest rate risk arises predominantly when a change in the value of the liabilities due to a change in interest rates, does not lead to an exactly offsetting change in the value of the assets.

Interest rate risk tables

The following table sets out MACC's exposure to interest rate risk showing the carrying value of financial instruments and the weighted average effective interest rates, when applicable. The banding is based upon the earlier of the contractual repricing or maturity dates.

The interest rate risk table does not disclose financial assets and financial liabilities that are non-interest bearing.

30 June 2025	Fixed or floating	1 year or less \$'000	>1 year and <2 years \$'000	>2 years and <3 years \$'000	>3 years and <4 years \$'000	>4 years and <5 years \$'000	More than 5 years \$'000	Total \$'000	Weighted average effective interest rate %
Financial assets									
Cash and cash equivalents	Floating	3,637	-	-	-	-	-	3,637	3.85%
Bonds	Fixed	-	-	-	-	-	-	-	-
Total		3,637	-	-	-	-	-	3,637	

30 June 2024	Fixed or floating	1 year or less \$'000	>1 year and <2 years \$'000	>2 years and <3 years \$'000	>3 years and <4 years \$'000	>4 years and <5 years \$'000	More than 5 years \$'000	Total \$'000	Weighted average effective interest rate %
Financial assets									
Cash and cash equivalents	Floating	122,989	-	-	-	-	-	122,989	4.35
Bonds	Fixed	-	-	-	-	-	88,881	88,881	2.84
Total		122,989	-	-	-	-	88,881	211,870	

21. Risk management and financial instruments information continued...

Interest Rate Risk Sensitivity Analysis

The following table demonstrates MACC's sensitivity to movement in interest rates in relation to the value of interest bearing financial assets and liabilities.

Change in interest rate	2025		2024	
	Impact on profit after tax \$'000	Impact on Equity \$'000	Impact on profit after tax \$'000	Impact on Equity \$'000
Interest bearing financial assets and liabilities	+100 basis points	-	(9,509)	(9,509)
Interest bearing financial assets and liabilities	-100 basis points	-	11,010	11,010

The effect of interest rate movements on MACC's provision for outstanding claims is included in note 3.

(i) Currency Risk

MACC's exposure to currency risk is through its investments in unit trusts denominated in a currency other than the Australian dollar.

(ii) Price Risk

MACC is exposed to price risk through the holding of units in unlisted trust funds. Price risk arises due to the changes in the market value of the units as advised by the respective fund managers.

Price risk is managed through the use of strictly monitored allocation limits for units held in each class of managed fund. MACC invests in a diverse range of managed funds thereby limiting the impact of any one underlying variable affecting unit prices.

Returns achieved by appointed fund managers are continuously assessed by the MACC Commissioner in relation to its stated objectives and are compared to returns earned by a suitable peer group of other professional fund managers (industry benchmarks).

21. Risk management and financial instruments information continued...

Price Risk Sensitivity Analysis

The analysis below demonstrates the impact of a movement in the prices of units held in unlisted trust funds. It is assumed that any relevant price change occurs as at the reporting date.

MACC	Change in unit price	2025		2024	
		Impact on profit after tax \$'000	Impact on Equity \$'000	Impact on profit after tax \$'000	Impact on Equity \$'000
Upside					
Australian equities	+20%	46,139	46,139	44,795	44,795
International equities	+20%	30,912	30,912	29,621	29,621
Australian listed properties	+20%	7,031	7,031	6,892	6,892
Infrastructure	+20%	8,837	8,837	8,489	8,489
Australian inflation linked	+2%	1,536	1,536	1,495	1,495
Global credit	+2%	2,517	2,517	1,564	1,564
Australian fixed interest	+2%	2,506	2,506	-	-
Short-term money market	+2%	2,755	2,755	-	-
Total		102,233	102,233	92,856	92,856
Downside					
Australian equities	-20%	(46,139)	(46,139)	(44,795)	(44,795)
International equities	-20%	(30,912)	(30,912)	(29,621)	(29,621)
Australian listed properties	-20%	(7,031)	(7,031)	(6,892)	(6,892)
Infrastructure	-20%	(8,837)	(8,837)	(8,489)	(8,489)
Australian inflation linked	-2%	(1,536)	(1,536)	(1,495)	(1,495)
Global credit	-2%	(2,517)	(2,517)	(1,564)	(1,564)
Australian fixed interest	-2%	(2,506)	(2,506)	-	-
Short-term money market	-2%	(2,755)	(2,755)	-	-
Total		(102,233)	(102,233)	(92,856)	(92,856)

21. Risk management and financial instruments information continued...

b) Credit risk

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

Trade and other receivables

MACC applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. MACC has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 180 days past due.

The loss allowance for trade debtors as at 30 June 2025 was \$0 (2024: \$0).

Insurance recoveries on claims paid and other financial assets, held at amortised cost

Expected credit loss on other financial assets is calculated by adopting the simplified approach, which uses a lifetime expected loss allowance.

To measure the expected credit losses, other financial assets have been grouped based on shared credit risk characteristics.

The expected loss rates are based on the following:

- probability of default (PD), which is the likelihood of a default over a particular time horizon
- loss given default (LGD) which is the share of an asset lost if a default occurs
- maturity factor which is the holding period of the asset

The loss allowance for insurance recoveries on claims paid and other financial assets as at 30 June 2025 was determined to be \$5,321 (2024: \$4,941).

Interest bearing Investments

The credit risk associated with interest bearing investments is managed by MACC as follows:

- The setting and review of credit limits as they relate to recognised external credit assessment institution's ratings.
- The setting and review of credit limits as they relate to exposures to individual entities.
- The monitoring of limit usage for both the credit ratings and the individual entities.

MACC has a maximum exposure equal to the carrying amount of each financial asset, including derivatives, on the Statement of Financial Position.

Units held in unlisted trust funds

MACC's primary credit risk exposure is in the underlying assets held by the unlisted unit trusts in which it invests. The credit risk disclosures have been prepared on the basis of MACC's direct investment in those trusts and not on a look-through basis. Consequently, the disclosure of credit risk may not represent the true credit risk profile of MACC.

Fund managers are selected pursuant to a strategic asset allocation approved by the MACC Commissioner. Fund managers manage applicable credit risk in accordance with their product disclosure statements. Their approach to credit risk is one of the factors in the selection process and their compliance with their product disclosure statements is confirmed annually.

21. Risk management and financial instruments information continued...

The following table provides information regarding the aggregate credit risk exposure of MACC as at 30 June 2025 in respect of the major classes of financial assets, excluding unlisted trust funds and loans and receivables. The analysis classifies the assets according to recognised counterparty credit ratings.

	Credit Ratings				
	AAA or A1+ \$'000	AA or AA- \$'000	A+ or A- \$'000	Unrated \$'000	Total \$'000
30 June 2025					
Cash and cash equivalents	-	3,637	-	-	3,637
Insurance recoveries on claims paid	-	616	425	8	1,049
Bonds	-	-	-	-	-
Total	-	4,253	425	8	4,686
30 June 2024					
Cash and cash equivalents	-	122,989	-	-	122,989
Insurance recoveries on claims paid	99	248	450	33	830
Bonds	71,761	17,120	-	-	88,881
Total	71,860	140,357	450	33	212,700

The following table provides further information regarding the carrying balance of MACC's financial assets that have been impaired and the ageing of those that are past due but not impaired, and neither past due nor impaired at the reporting date.

	Neither past due nor impaired \$'000	< 30 days \$'000	30-60 days \$'000	> 60 days \$'000	Impaired \$'000	Total \$'000
30 June 2025						
Interest receivables and others	520	-	-	-	-	520
Distribution receivables	4,805	-	-	-	-	4,805
CTP contributions receivable	-	2,330	-	-	-	2,330
Insurance recoveries on claims paid	1,049	-	-	-	-	1,049
Total	6,374	2,330	-	-	-	8,704
30 June 2024						
Interest receivables and others	939	-	-	-	-	939
Distribution receivables	4,502	-	-	-	-	4,502
CTP contributions receivable	-	1,912	-	-	-	1,912
Insurance recoveries on claims paid	830	-	-	-	-	830
Total	6,271	1,912	-	-	-	8,183

21. Risk management and financial instruments information continued...

c) Liquidity risk

Liquidity is the ability to access funds at short notice via internal or external sources to the organisation. Liquidity risk is the risk that MACC will be unable to meet its obligations in an orderly manner as and when they fall due. This includes the risk that MACC may not be able to borrow funds when required, or at an acceptable cost.

Liquidity risk arises due to unanticipated obligations arising. This may occur when anticipated receipts do not eventuate, or when short term sources of funds are withdrawn, or where MACC is exposed to one particular market sector.

The 3 main elements of managing liquidity risk are:

Day-to-day cash management: Involves the use of working cash and investment balances. The key tool used to manage cash balances involves the use of cash flow forecasts.

Short Term Liquidity management: Involves the use of both internal and external tools and facilities. MACC utilises cash flow forecasts to manage liquidity. The external facilities include committed and uncommitted stand-by lines for planned and emergency funding requirements.

Long Term Liquidity management: Involves the use of budgets and business plans to protect against a liquidity problem in the future.

The following table summarises the maturity profile of MACC's liabilities. This is based on contractual undiscounted repayment obligations, which includes estimated interest repayments. The maturity profiles of outstanding claims provisions are determined on the basis of discounted estimated timing of net cash outflows and are disclosed in note 14 (c). Repayments that are subject to notice are treated as if notice were to be given immediately.

Maturity profiles of undiscounted financial liabilities.

	1 year or less \$'000	> 1 year and < 5 years \$'000	> 5 years \$'000	No term \$'000	Total \$'000
30 June 2025					
Trade and other payables	7,968	-	-	-	7,968
Lease liabilities	73	318	101	-	492
Total undiscounted financial liabilities	8,041	318	101	-	8,460
 30 June 2024					
Trade and other payables	9,622	-	-	-	9,622
Lease liabilities	-	-	-	-	-
Total undiscounted financial liabilities	9,622	-	-	-	9,622

Direct Credit facility: MACC maintains \$4 million facility that is allocated as the Transaction Negotiation Authority (TNA) limit with Westpac. Overdrawn fees and interest apply if there are insufficient funds in the account.

21. Risk management and financial instruments information continued...

d) Capital Management

MACC manages its capital requirements by assessing capital levels on a regular basis. The capital policy has been designed to:

- Ensure compliance with the Motor Accidents (Compensation) Commission Act, and prudential standards of the regulator (Northern Territory Government).
- Provide policies that reflect the policy principles of an APRA regulated organisation.

Under the Motor Accidents (Compensation) Commission Act, MACC is regulated for prudential purposes by the Northern Territory Government through Treasurer's Determinations.

Treasurers Determination 1/2024 stipulates that the target minimum solvency, unless specified differently by the Treasurer of the Northern Territory Government, is to be 110%. This target minimum is derived from the target range stipulated in the Treasurers Determination which is 110% – 150%.

The adequacy of the MAC Fund's capital is defined in Treasurers Determination 1/2024 as an adjusted ratio of Capital over Liabilities plus 100%.

As at 30 June 2025, the solvency ratio was 156% (30 June 2024: 152%).

The following table provides information about MACC's capital resources:

	2025 \$'000	2024 \$'000
Retained earnings	686,367	606,982
Total capital resources	686,367	606,982

e) Fair values

The fair values of financial assets listed at fair value through profit and loss have been determined using market values.

The carrying amount of receivables, cash at bank, insurance recoveries on claims paid and creditors approximate their fair value due to their short-term nature. The carrying amount of term deposits is not materially different from their fair values.

The following table provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

21. Risk management and financial instruments information continued...

MACC	Carrying Amount			Fair Value			
	Fair value through P&L \$'000	Held at amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2025							
Financial Assets							
Cash and cash equivalents	-	3,637	3,637	-	-	-	-
Interest receivables and others	-	520	520	-	-	-	-
Distributions receivable	-	4,806	4,806	-	-	-	-
CTP contributions receivable	-	2,330	2,330	-	-	-	-
Insurance recoveries on claims paid	-	1,049	1,049	-	-	-	-
Bonds	-	-	-	-	-	-	-
Units in unlisted trust funds	1,287,691	-	1,287,691	-	1,287,691	-	1,287,691
Total	1,287,691	12,342	1,300,033	-	1,287,691	-	1,287,691
Financial Liabilities							
Trade creditors and accruals	-	7,969	7,969	-	-	-	-
Lease liabilities	-	422	422	-	-	-	-
Total	-	8,391	8,391	-	-	-	-

MACC	Carrying Amount			Fair Value			
	Fair value through P&L \$'000	Held at amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2024							
Financial Assets							
Cash and cash equivalents	-	122,989	122,989	-	-	-	-
Interest receivables and others	-	939	939	-	-	-	-
Distributions receivable	-	4,502	4,502	-	-	-	-
CTP contributions receivable	-	1,912	1,912	-	-	-	-
Insurance recoveries on claims paid	-	830	830	-	-	-	-
Bonds	88,881	-	88,881	88,881	-	-	88,881
Units in unlisted trust funds	947,637	-	947,637	-	947,637	-	947,637
Total	1,036,518	131,172	1,167,690	88,881	947,637	-	1,036,518
Financial Liabilities							
Trade creditors and accruals	-	9,622	9,622	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-
Total	-	9,622	9,622	-	-	-	-

21. Risk management and financial instruments information continued...

The fair value disclosure in 2025 represents MACC's financial assets and liabilities.

The fair values of financial assets and liabilities are determined as follows:

- The fair values of financial assets and liabilities with standard terms and conditions and traded on active markets are determined with reference to quoted market prices (includes floating rate notes, bonds and units in unlisted trust funds).
- The fair values of other financial assets and liabilities are determined using prices from observable current market data and other relevant models used by market participants (includes short term deposits and other floating rate investments).
- Financial instruments that do not have an active market are based on valuation techniques using market data that is not observable.

f) Foreign currency risk

MACC holds asset denominated in currencies other than the Australian dollar (the functional currency), consequently, it is exposed to foreign currency risk as the value of the asset fluctuates due to changes in exchange rates.

The following table shows the carrying amount at the reporting date of MACC's investment in financial assets that is exposed to foreign currency risk:

Currency	J.P. Morgan Infrastructure Investments Fund	
	2025 \$'000	2024 \$'000
USD	56,553	55,477
AUD	86,131	83,112

Foreign currency sensitivity analysis

MACC is exposed to the currency of US dollars (USD).

The following table details MACC's sensitivity to a 10% increase and decrease in currency units against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit and other equity where currency units strengthen 10% against the relevant currency. For a 10% weakening of currency units against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

Change in currency exchange rate	2025		2024	
	Impact on profit after tax \$'000	Impact on Equity \$'000	Impact on profit after tax \$'000	Impact on Equity \$'000
J P Morgan Infrastructure Investments Fund	10%	8,613	8,613	8,311
J P Morgan Infrastructure Investments Fund	-10%	(8,613)	(8,613)	(8,311)

22. Provisions

	2025 \$'000	2024 \$'000
(a) Current		
Employee benefits	6	5
(b) Non-current		
Employee benefits	1	-
Total provisions	7	5

23. Commitments

	2025 \$'000	2024 \$'000
(a) Management Agreement		
Future minimum base line fee payments for outsourcing arrangement:		
Within one year	16,561	9,108
Later than one year but not later than five years	66,244	-
Later than five years	24,842	-
(b) Operating leases where MAC is the lessee		
Future minimum base rent payments for commercial lease agreement:		
Within one year	80	-
Later than one year but not later than five years	350	-
Later than five years	111	-
(c) Capital Commitments		
Funding provided to NTPF (ANPR) system to promote road safety:		
Within one year	78	78
Later than one year but not later than five years	78	156
Later than five years	-	-
Total commitments	108,344	9,342

Management Agreement refer Note 2.4 (i).

24. Impact of alternative net outstanding claims measurement

In accordance with a directive from the Treasurer of the Northern Territory Government, the net outstanding claims provision was restated using an alternative measurement basis. This basis has not been accounted for in the financial statements, the impact of this request is for illustrative purposes only.

The alternative method for the outstanding claims provision is measured as the present value of 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 the Statement of Financial Position date using a flat discount rate of 2% above inflation (2025: 5.25% - 6.00%, 2024: 5.25% - 5.78%). The impact of using the alternative measurement basis is reflected as follows:

Statement of Profit or Loss	Notes	30 June 2025 \$'000	Alternative Measure \$'000	Change \$'000
Revenue		221,086	220,391	(695)
Insurance expense		(1,966)	(1,966)	-
Claims expenses	14 (c)	(120,660)	(111,780)	8,880
Grants provided to fund road safety programs		(4,566)	(4,566)	-
Depreciation and amortisation expense	12, 13	(53)	(53)	-
Other expenses		(14,456)	(14,456)	-
Profit for the period/(loss)		79,385	87,570	8,185

Statement of Financial Position	Notes	30 June 2025 \$'000	Alternative Measure \$'000	Change \$'000
Assets				
Cash and cash equivalents	8	3,637	3,637	-
Trade and other receivables	9	7,656	7,656	-
Other financial assets	10	1,287,691	1,287,691	-
Insurance and other recoveries receivable	11	60,347	57,223	(3,124)
Lease assets	12	408	408	-
Property, plant and equipment	13	306	306	-
Total Assets		1,360,045	1,356,921	(3,124)
Liabilities				
Outstanding claims provision	14 (a)	629,188	556,181	73,007
Trade and other payables	16	8,305	8,305	-
Unearned CTP contributions	15	35,756	35,756	-
Provisions	22	7	7	-
Lease liabilities	12	422	422	-
Total Liabilities		673,678	600,671	73,007
Net Assets		686,367	756,250	69,883
Equity				
Opening Retained Earnings		606,982	668,680	61,698
(Loss)/Profit for the period		79,385	87,570	8,185
Total Equity		686,367	756,250	69,883

25. Events subsequent to balance date

There are no events subsequent to balance date.

26. Contingent liabilities and contingent assets

a) Contingent liabilities

MACC has legal matters in progress which arise in the normal course of business. MACC defends such matters; however, the outcome and quantum of any liabilities are contingent upon the Courts' decisions.

b) Contingent assets

MACC has no contingent assets.



Independent Auditor's Report

To the Treasurer

Motor Accidents (Compensation) Commission

Report on the audit of the financial report for the year ended 30 June 2025

Opinion

I have audited the financial report of the Motor Accidents (Compensation) Commission (the Commission), which comprises the statement of financial position as at 30 June 2025, and the statements of profit or loss, changes in equity and cash flows for the year then ended, notes to the financial statements, including material accounting policy information and other explanatory information and the Commissioner's declaration.

In my opinion, the accompanying financial report:

- presents fairly, in all material respects, the financial position of the Commission as at 30 June 2025 and its financial performance, cash flows and changes in equity for the year then ended
- is in accordance with the Motor Accidents (Compensation) Commission Act 2014, section 10(1) to (3) of the *Financial Management Act 1995* and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with 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 Commission in accordance with the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (the Code) that are relevant to my audit of the financial report in Australia. My authorised auditors and I have also fulfilled our other ethical responsibilities in accordance with the Code. My independence is further established by the *Audit Act 1995*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the matter
Valuation of outstanding claims provision and insurance & other recoveries	
The Commission's outstanding claims provision totalled \$629.188 million at 30 June 2025, comprising of lifetime and general claims.	Key audit procedures, with the assistance of an actuarial specialist, included:
Expected future recoveries on outstanding claims totalled \$60.347 million.	<ul style="list-style-type: none"> ▪ evaluated the competence, capabilities and objectivity of the Commission's actuary ▪ reviewed the appropriateness of the methods and valuation models used by management and management's actuary ▪ assessed appropriateness of data used for the determination of assumptions
I consider these to be a key audit matter because of the:	
<ul style="list-style-type: none"> ▪ financial significance of the outstanding claims balance and the expected future recoveries on outstanding claims to the statement of financial position 	

Key audit matter	How my audit addressed the matter
Valuation of outstanding claims provision and insurance & other recoveries	
<ul style="list-style-type: none"> ▪ management with the assistance of specialist actuaries make significant judgements and assumptions as part of the valuation process, including the timing and value of expected future claims payments and related costs of settlement and expected recoveries. ▪ sensitivity of the balances to changes in key assumptions <p>Further information on the measurement of insurance and other recoveries and the outstanding claims provision is disclosed in note 2.5 <i>Critical accounting judgments and estimates</i>, note 3 <i>Actuarial assumptions and methods</i>, note 11 <i>Insurance and other recoveries receivable</i> and note 14 <i>Outstanding claims provision</i>.</p>	<ul style="list-style-type: none"> ▪ assessed the valuation methods and approach used by the Commission's actuary against the requirements of accounting standards and industry practice ▪ evaluating estimation uncertainty by <ul style="list-style-type: none"> - assessing significant assumptions for reasonableness and consistency with industry practice and the Commission's experience - obtaining the sensitivity analysis performed by the Commission's actuary and assessing the impact of changes in key assumptions on the claim reserves - assessing any changes in methodologies for the portfolios being reviewed compared to the previous year, and whether sufficient justification for the changes has been provided - we also assessed the adequacy of the disclosures in the financial statements.

Other information

The Commissioner is responsible for the other information. The other information comprises the information included in the Commission's *Annual Report* but does not include the financial report and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, I consider whether the other information is materially inconsistent with the financial report or the knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the Commission and the Treasurer and consider reporting on the misstatement to Parliament.

Responsibilities of the Commissioner for the financial report

The Commissioner is responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards and section 10(1) to (3) of the *Financial Management Act 1995* and for such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement whether due to fraud or error.

In preparing the financial report, the Commissioner is responsible for assessing the Commissions ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.



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 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- Conclude on the appropriateness of the Commissioner'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 Commission'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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report however future events or conditions may cause the Commission 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 Commissioner 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.



Jara K Dean

Auditor-General

Darwin, Northern Territory

30 September 2025

