

Annual Report 2022



Acknowledgement of Country

We respectfully acknowledge the traditional custodians of the land on which we work and live, paying our respects to their Elders past, present and emerging. We recognise and pay homage to their continuing culture, the world's oldest living culture, and the contribution they make to the life of this country.

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About Us

97.8%

of medical members in private practise retained

Member profile

52%

female

48%

male

<1%

other/prefer not to say

14,472

responses to medico-legal enquiries

3,668

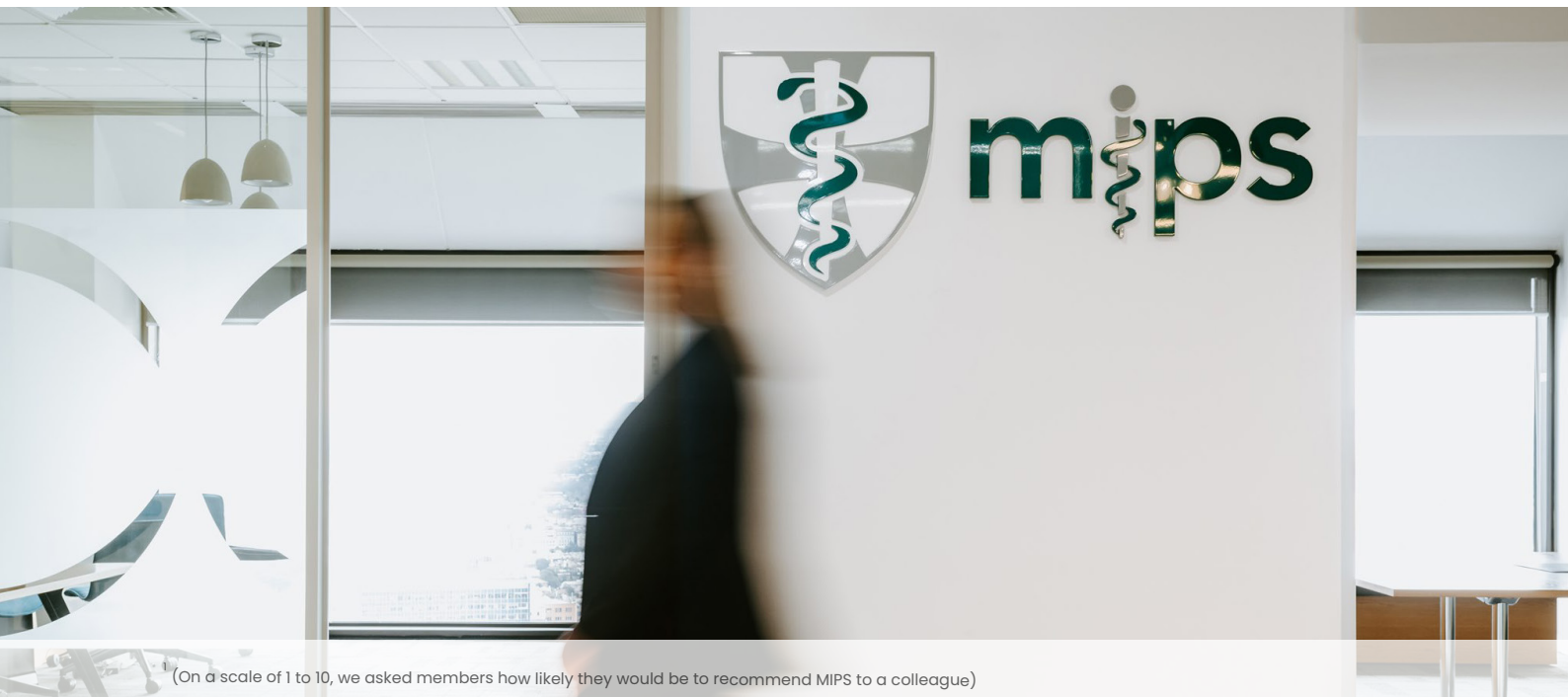
members attended a 'live' MIPS webinar

8.54

average rating for likely to recommend MIPS¹

Our purpose

Member-first protection, support and advice from a medical defence organisation that understands your unique needs.



(On a scale of 1 to 10, we asked members how likely they would be to recommend MIPS to a colleague)

Chair and CEO Report

MIPS' financial stability continues to sustain our priority of supporting our members with protection and advice as they navigate the ever changing healthcare landscape.

The disruption and uncertainty brought about by the pandemic continued to impact the wellbeing and livelihoods of our members, MIPS, our people, and the healthcare industry across 2021/22.

We are proud and feel privileged to support our medical, dental and nuclear medicine technologist members throughout 2021/22. We offer our sincere appreciation to you for placing your trust in us.

Assistance in our members' times of need

As our members faced the challenges of 2021/22, we experienced an increase in requests for assistance, particularly related to notifications from regulators. More than 3,400 members were assisted by our medico-legal team with the most common requests for assistance relating to clinical care complaints.

Managing our members' claims

MIPS has continued to effectively manage claims and support members at their most vulnerable. This year, we have seen a substantial increase in member requests for support with Ahpra notifications and Medicare issues. We have adapted to this change in claims management, growing our medico-legal team to provide the best support for members. Whilst we have seen a modest reduction in the frequency of civil claims from patients, the average cost of each claim has increased.

Our strong financial results

MIPS maintains a strong financial position despite negative investment returns and increased operational costs, with membership revenue for 2021/22 increasing by 4.4% year-on-year. Operational costs have increased and reflect our investment in supporting our members.

MIPS group currently manages \$351m in investments, offering a strong capital base on which to protect members' interests and service claims. There has been an investment downturn globally, which has impacted the return on investments. However, MIPS has a long-term investment strategy and expects episodic downturns over the investment lifecycle.

Reinsurance remains both a key cost, and an important tool to balance risk while maintaining stability. Reinsurance costs are increasing for most products and classes of business, partly due to insurance risks unrelated to professional indemnity, including natural disasters.

Global impact on membership fees

Challenges brought on by the pandemic have contributed to escalating costs and inflation, and while we continue to ensure member value and minimise increases, our membership fees have been impacted. Fees are calculated to reflect the member's risk exposure taking into account current and past practice over preceding years.

Advocating for our members

Across 2021/22 MIPS responded strongly to Government requests on behalf of our members, making important contributions to reviews, requests and the COVID-19 Vaccine Indemnity Claims Scheme.

We thank all our members who participated in our Member Advisory Group (MAG) for generously offering their time and insights. The contributions made during these sessions have been instrumental in assisting us to tailor services, ensuring we meet the needs of our membership throughout their professional journey.

In addition to advocating to Government and collaborating with members, MIPS meets with the industry to discuss key issues to maintain focus on the sustainability of the medical indemnity industry and the provision of protection to healthcare practitioners.

Our future plans

As part of our focus to provide sustainable member value, MIPS has committed to a refreshed strategic roadmap and Business Plan. This includes several key projects and a range of initiatives to improve member experience, promote sustainable value and ensure transparency and accountability across governance, compliance and financial management.

The delivery of our future plans will be coordinated through our newly established project management office that will underpin the acceleration of key projects and support the exploration and evaluation of our involvement in ethical, social and governance issues.

Empowering our people

The pandemic provided a unique opportunity to transition to hybrid work where flexibility became the rule, rather than the exception. Our flexible working policy was launched in 2021, and refreshed in 2022 to better meet our people’s needs.

In this new environment, we are continuing to embed a culture of accountability, collaboration, innovation and positivity. This has fostered a highly engaged workplace with a 76% employee engagement score in 2021/22, a 7% increase on the previous year.

Futured focused team delivering for our members

With the implementation of organisational changes in 2021/22, the executive team was further supported by the promotion of a key internal resource to the Head of Technology, Lucian Burns and the addition of three executives to our Executive Leadership Team:

- Barry Leung, Executive General Manager, Performance
- Marianne Dodd, Executive General Manager, Member Experience
- Mark Raberger, Executive General Manager, Services and Operations

The executive team’s experience and commitment to delivering member value will be instrumental in realising our strategic roadmap.

Renewal at the Board level is important and during 2022 we were able to welcome Dr Victoria Atkinson and Dr Bruce Mugford, each bringing special healthcare perspectives. The MIPS Board welcomed Ms Robyn Bateup, bringing actuarial and insurance experience. Dr Leanne Rowe AM and Dr Charles Steadman AM retired during the 2021/22 period. The contribution over 10 and 15 years respectively of Dr Leanne Rowe AM and Dr Charles Steadman AM to the MIPS group Boards and committees is noted with much appreciation to them both.

Expressing our appreciation

2023 will mark our 35th year of operation. In this time, we have grown from an organisation of 3,000 members to one of Australia’s most respected medical defence organisations.

Our progress across 2021/22 would not have been possible without the dedicated and compassionate delivery of services to our members. On behalf of the Executive and the Board, we express our appreciation to the entire MIPS team for their outstanding contributions in support of our members.



Natasha Anning

Natasha Anning

CEO



Gary Speck

Gary Speck

Chair

Key Metrics

\$71.9M

Revenue including reinsurance recoveries

\$21.1M

Net deficit after tax

\$41M

Claims made on behalf of members

3.54

Prescribed Capital Amount Coverage Ratio

(required minimum is 1) (MIPSi)

76%

Employee engagement score

(an increase of 7% year-on-year)

4/7

Women in executive leadership roles

as at 30 June 2022

Who We Are



Nicola Thomas
Relationship and
Development Manager

Marianne Dodd
Executive General Manager,
Member Experience

Donna Dalby
Marketing and
Communications Specialist

Sarah Geistendor
Risk, Regulatory and
Compliance Manager

Our Purpose, Our Ambition, Our Strategy

2021/22 was a period of change and uncertainty. Transitioning into this new phase, we recognise that the impacts of the pandemic on healthcare professionals is complex, and will be long-lasting.

Increasing inflation, higher reinsurance costs, interest rate rises and labour shortages are impacting not only our members and our organisation, but also the wider community. Despite these challenges and more heightened uncertainty, we continue to deliver on our purpose:

Member-first protection, support and advice from an organisation that understands its members' unique needs.

We are a medical indemnity industry leader, recognised for protecting healthcare professionals while they are caring for others. To continue to meet this ambitious standard, we have set out five strategic pillars:

Delivering on our member-centric value proposition

Developing our people

Achieving operational excellence

Enhancing decision making through improved analytical capability

Grow revenue and scale sustainably

Our core behaviours, WHO ME, underpin every action our people undertake:

Work together



Collaboration across teams achieves the best outcomes, for both our members and ourselves.

Have fun



Working with positivity and enthusiasm inspires our team to succeed.

Own it



We are each responsible for taking initiative, constructively managing risk and demonstrating accountability.

Make a difference



The pursuit of sustainable value and actively innovating to make an impact for our members, people and community is part of our DNA.

Embrace challenge



Challenges present an opportunity to learn and evolve as an organisation; we embrace challenge with a growth mindset.

We believe our strong focus on the interests of our members, coupled with long-standing organisational resilience will aid us in weathering future uncertainty. This belief is demonstrated through our everyday interactions with members, risk education programs, presence at medical and dental industry events, and prudent financial and risk management practices.

Taking action

The last 12 months has been a period of transformation and change, with substantial progress made in the delivery of our member-centric strategic initiatives. We successfully:

- completed member research to better understand the needs of healthcare practitioners
- completed an organisational restructure and improved role definitions, to better align our people’s responsibilities to business needs, future capabilities and culture
- matured our governance, compliance and risk management practices spanning culture, processes, reporting and systems
- initiated a pilot data initiative using a contemporary data and analytics platform, to create clear dashboards summarising member notifications and claims handling
- refreshed our project management approach, and set up a new program management office to drive key initiatives
- continued our commitment to sound ethical investment practices by sustaining our Tobacco Free Pledge



Jayson Nagpiing
Digital Marketing Specialist

Our Financial Performance

The continued impact of the pandemic, increasing average claims costs, and a volatile economic environment are contributing to worldwide uncertainty, which in turn is affecting investment markets. Our long-term investment approach and strong capital position have resulted in our overall financial stability, despite MIPS realising a deficit at 30 June 2022 due to investment losses.

Prudent financial management has seen MIPS deliver returns over time, which positions us to achieve our medium and longer term financial objectives. Our financial strength and sound capital management strategy allows us to:

- limit subscription increases
- continue to invest for the benefit of all members
- support our commitments and services to members

Group financial result

MIPS experienced a steady 3.6% increase in revenue from member fees, with an overall deficit in 2021/22 due to:

- a release in claims provision in 2020/21, which was not repeated in the following financial year
- higher claims expenses for 2021/22 than the previous year due to inflation, higher claims size and claims frequency
- lower investment income as a result of investment market volatility

Protecting the interests of our members is our highest priority, guiding our decision-making when utilising capital accumulated from member contributions. MIPS' net assets at group level remains strong at \$318m. Our insurance entity capital adequacy ratio exceeds both regulatory requirement and industry averages.

MIPSi, MIPS' insurance subsidiary, has one of the highest Prescribed Capital Requirement (PCR) ratios across all specialised medical indemnity insurers in Australia.

Financial results – MIPS Group

\$'m	2018/19	2019/20	2020/21	2021/22
Revenue from members	59.2	60.2	58.3	60.4
Investment income	19.9	-0.6	22.9	-4.8
Reinsurance and other recoveries, and other revenue	58.0	62.6	9.8	16.3
Total revenue	137.1	122.2	91.0	71.9
Claims ¹ expenses	-89.1	-84.2	0.7	-52.2
Other expenses	-41.8	-49.8	-48.9	-43.6
Total expenses	-130.9	-134.0	-48.2	-95.8
Group surplus before tax	6.2	-11.7	42.8	-23.9
PCR ratio (MIPSi)	5.05	3.27	4.44	3.54

¹ Excludes movement in unexpired risk reserve. A significant release of provision occurred in 2020/21 due to a change in valuation methodology which in turn reduces our claims incurred in that year.

Understanding the global impact on our financial performance

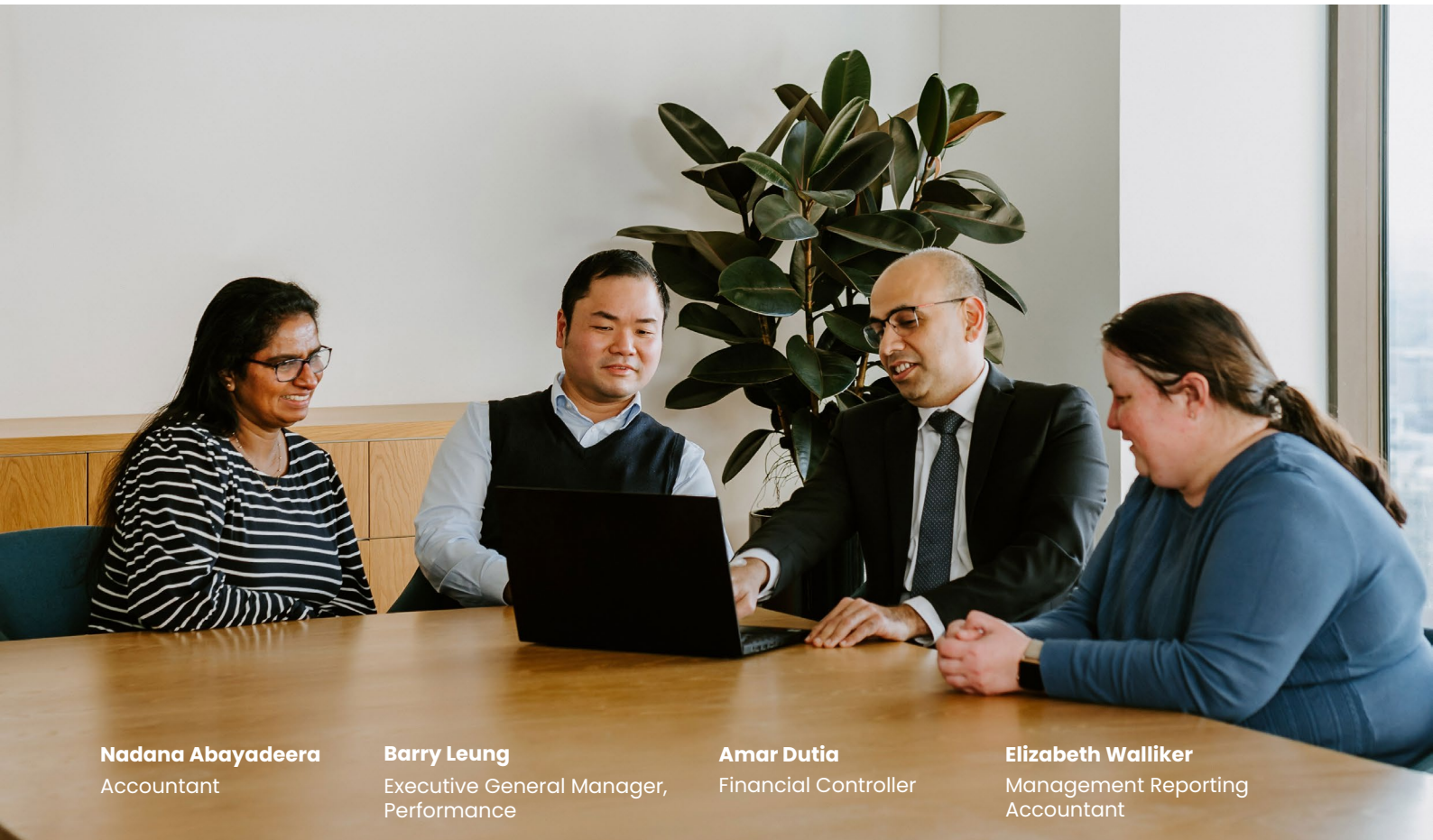
Volatile investment returns and increasing interest rates are consequences of our turbulent economic environment. These global trends have impacted our 2021/22 position, in addition to an increasing number of representational matters, and higher average claims costs over time.

Looking forward

Over the last two years, we have reviewed our investment strategy to ensure the right blend of investments that deliver the best outcomes for members. Despite the uncertainty of the investment market, the diversification of our investment portfolio under our revised strategy will deliver in managing returns over the longer term.

Tightening regulations to protect the public, changing healthcare delivery, and increasing patient expectations will continue to drive actions against healthcare practitioners and contribute to increases in claims costs. MIPS’ risk education, medico-legal advice and defence, and claims management will assist in countering this pressure.

MIPS will continue to use its strong financial position to manage the impact of increasing costs. We will invest with the objective of creating sustainable value for our members and maintaining financial stability, while continuing to provide the highest-quality service to our members.



Nadana Abayadeera
Accountant

Barry Leung
Executive General Manager,
Performance

Amar Dutia
Financial Controller

Elizabeth Walliker
Management Reporting
Accountant

Our Services to Members



Dr Tim Monaghan MBBS LLB (Hons) BComm FRACGP
Medico-Legal Advisor

MIPS Member Highlight

Dr. Abid Khan recalls MIPS as a continuous, supportive presence throughout his career. He took some time out of his busy schedule to share his experience as a MIPS member.

“I remember the friendly people at the MIPS stand during my first week of med school, handing out freebies and chatting to students. It was refreshing to interact with them – they weren’t pushy at all.

“I was a Sponsorship Officer at med school and I reached out to a bunch of companies – MIPS was quick to respond and keen to support us. They facilitated educational programs and webinars, attended conferences, supported our events and initiatives financially, and offered us career development guidance.

“When choosing a [medical indemnity] provider, I’m going with the people I know and trust.”

“Supporting practitioner wellbeing has always been something that struck me about MIPS. During lockdown, when my colleagues and I craved social interaction, MIPS was quick to host our remote trivia night and shout us UberEats, which helped create a sense of community. They’ve always been there – they genuinely care.

MIPS Member Advisory Group (MAG)

“The fact MIPS solicits member feedback impresses me – I haven’t heard of any other indemnity provider doing this. Participating in MAG gave me an opportunity to meet other junior doctors facing similar challenges, and learn about common complaints, industry trends and services MIPS offers. We all shared perspectives on how MIPS could best educate and keep in touch with healthcare practitioners. I’ve noticed they’ve taken action as a result of our feedback, really hitting the sweet spot with their mixture of online and in-person offerings.

“Being a MIPS member, the renewal process, upgrading my indemnity coverage from public to private, using their website, downloading a certificate of indemnity, and communicating with MIPS directly is all incredibly quick, easy, and seamless.

“Would I recommend MIPS? Of course.”



Dr. Abid Khan is a General Surgical SET Registrar, currently completing a colorectal rotation at The Northern Hospital in Epping, Victoria. This rotation forms part of his general surgery training accredited by the Royal College of Surgeons.

Protecting Our Members

Our Member Services and Professional Services teams are there for our members in their times of need, supporting healthcare practitioners across Australia with invaluable protection, support and advice.

MIPS provided more than 3,481 members with support and advice for a total of 5,355 matters notified in 2021/22. The continued impact of the pandemic, growing number of Ahpra notifications, and emerging issues across telehealth have all contributed to an increase in the number of members contacting us.

Our medico-legal advisors handled hundreds of calls a month in support of members' general concerns and questions, including the impact of state-based public health orders and changing healthcare directions, as well as the COVID-19 vaccine rollout and related vaccine exemptions.

While members may not need ongoing access to medical indemnity support and advice, the peace of mind in knowing we are available 24/7 is of paramount importance to our members.

Our Professional Services team is the first point of contact when a member receives a complaint, or needs to notify us of an incident. Our after-hours service provides members with emergency support from experienced claims managers and medico-legal advisors.

Assistance received by MIPS members in 2021/22



1 in 10

1 in 10 healthcare practitioner members received assistance from MIPS relating to a notification in 2021/22.¹

Calls received by MIPS in 2021/22

14,472

Calls to Professional Services

14,053

Calls to Member Services

Medical Legal Expertise

12

Medico-legal advisors

135

Years of medico-legal experience

Local support across Australia



11

Expert legal firms representing MIPS practitioners in each state

¹ Practitioners only – this number excludes students.

Incidents recorded by MIPS during 2021/22

5,355

Notifications in total¹

406

Notifications that may progress to a claim

256

New Claims registered

Across 2021/22, MIPS paid

\$33.7M

In civil claims

\$3.9M

for legal fees in representational matters²

\$1.35M

for legal fees for MIPS Assist matters³

Our Member Services team provides frontline member support, answering member questions, updating policies, and triaging matters that may require support from our Professional Services team and/or medico-legal advisors.

We offer members up to \$20 million in insurance coverage for civil claims and representational matters.

Civil claims

In the unlikely event of a claim, not only are our members protected from the risks of litigation, but they also have the assurance of support and advice from our specialist medico-legal team.

Representational matters

Representational matters include notifications received from Medicare, and complaints or issues raised to/by Boards. These matters are often complex, requiring considerable support from our medico-legal team who can facilitate responses and provide support and advice, with a view to mitigating risk.

With the support of our expert panel of legal providers, where necessary MIPS' medico-legal advisors provide superior defence to minimise the impact of more serious claims.

MIPS Assist

For matters that may not be directly related to medical indemnity, but still require support, MIPS Assist offers a way for MIPS to provide discretionary cover. This service gives members access to assistance for matters relating to contract disputes, workplace discrimination, bullying and harassment, as well as disputes with a member's college, professional association and university.

¹ When a member contacted MIPS about a specific issue/incident

² Representational Claims, where MIPS appoints a legal representative to handle a matter, can include preparing a letter, negotiating a settlement, or even representing a member in court. Matters with damages are civil claims, typically where a patient has made a claim for damages (money); MIPS can either settle the case for a sum of money, or in the event a matter is unsuccessfully defended in court, pay damages as required by court order.

³ MIPS Assist is a discretionary service that offers assistance for matters relating to contract disputes, workplace discrimination, bullying and harassment, as well as disputes with a member's college, professional association and university.

Embedding Standards to Minimise Risk

Our educational offerings are designed in partnership with the healthcare community, to minimise the likelihood of adverse or unexpected outcomes by enhancing our members’ risk prevention mindset.

Risk education is one of the most important ways we support our members. MIPS collaborates with both government and non-government organisations, to provide leading-edge healthcare practitioner risk education.

We work closely with government, organisations such as the Therapeutic Goods Administration (TGA), Ahpra, and professional colleges, student societies and associations across Australia. These working relationships enable us to provide risk education at training hospitals nationwide, as well as state and national conferences.

Our annual program of events includes monthly member webinars and state-based regulatory, risk and litigation updates. To support our members we are continually expanding our on-demand library of certified Continuing Professional Development (CPD) content including videos, practice notes and case studies, which can all be found in our [Support Centre](#).

Our educational content is developed in collaboration with expert clinical advisors, panel solicitors and industry thought-leaders. In 2021/22 we offered modules covering:

- professionalism
- building cultures of respect for colleagues and patients through anti-bullying and anti-harassment
- adhering to Ahpra’s codes of conduct and following regulations
- maintaining professionalism and exercising appropriate behaviour
- maintaining physical and mental health

Our risk education is designed to assist our members in identifying and recognising hazards and minimising risk by providing risk identification methods specific to the workplace and highlighting unsafe behaviours through relevant case studies.

Across 2021/22 we offered 8 member webinars and 5 targeted webinar events. The three most popular topics (in descending order) were:

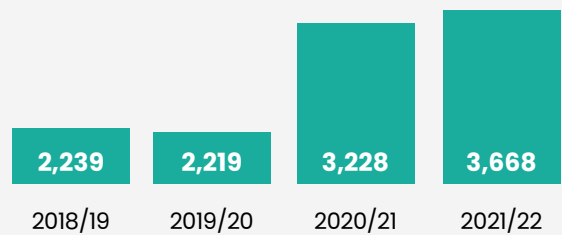
- Practising with care – Resolving difficult patient interactions
- Keeping within professional boundaries
- Hear me – A true story on the detriment of poor communication

MIPS held 2 state member conferences

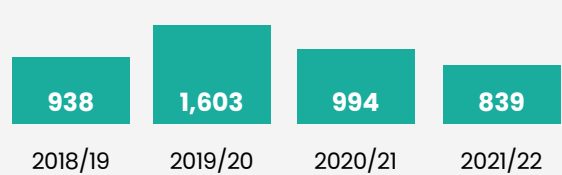
- Melbourne
- Brisbane



Live webinars attended by members



On-demand education completed by members¹



¹ Completed: An educational module is deemed ‘completed’ when a member obtains a certificate/statement of completion. Figure 2021/22 – As more members access our ‘live’ webinars, there is less need for the on-demand service.

In response to the need of our members and the wider healthcare community, we offer CPD programs that are accredited by the Royal Australian College of General Practitioners (RACGP), the Australian College of Rural and Remote Medicine (ACRRM) and the Royal Australian College of Surgeons (RACS). As of January 2022 MIPS now offers CPD accredited by the Australian College of Emergency Medicine (ACEM).

The provision of regular accredited risk education, based on our expansive medico-legal knowledge and expertise, assists members in meeting the challenges associated with their work. Our programs are structured to meet education frameworks and professional learning principles set by colleges, as well as CPD requirements.

Returning to in-person member events

In 2021/22 we enthusiastically resumed our state conferences, with events in Queensland and Victoria highlighting issues surrounding regulation and litigation. Presentations from local MIPS medico-legal advisors, panel solicitors, barristers, and a state coroner were well-received.

Additional in-person events are planned for late 2022, with educational conferences scheduled in the Australian Capital Territory, New South Wales, South Australia, Tasmania and Western Australia as well as targeted workshops across the states and territories.

Online member content offerings

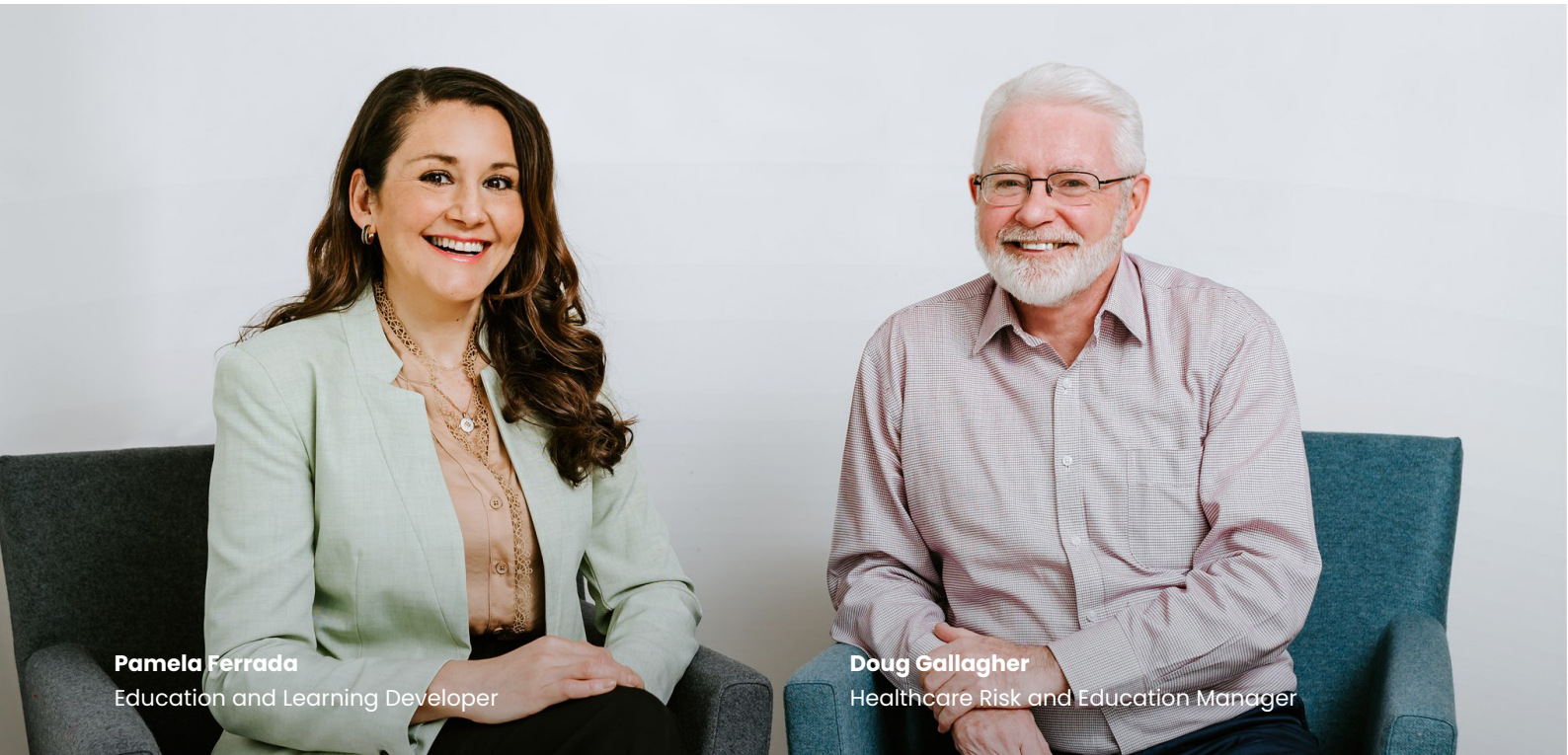
Our members completed over 800 courses through our online portal in 2021/22. In response to the growing demand for online learning, we have expanded our library of on-demand educational content to 90 titles, with certificates available via our [My Membership](#) portal.

Risk education programs

In addition to our in-person events, webinars and on-demand education, our risk education program provided 58 risk education presentations at hospitals, universities, industry conferences and student societies across 2021/22. These events are coordinated by our Relationship Development Specialists who are frequently in hospitals and work with the medical education teams. The presentations are developed by our medico-legal team including doctors, dentists and lawyers. These highly valued presentations were attended by approximately 1,300 health practitioners and students across Australia.

MIPS Member newsletter

More than 66% of our members read our quarterly publication, covering a broad range of topics including the latest from Ahpra and Medicare, state-based Drugs and Poisons regulation changes, mandatory reporting guidelines, codes of conduct for dental and medical practitioners, as well as mental health and wellbeing articles.



Pamela Ferrada
Education and Learning Developer

Doug Gallagher
Healthcare Risk and Education Manager

Supporting the Professions

In 2021/22, MIPS partnered with hospitals, universities and colleges across Australia to hold events and information sessions, as well as educational activities and webinars. The frequency and diversity of our offerings meant members could access vital support and guidance.

While public health orders limited our ability to offer on-site programs, we maintained our national presence throughout 2021/22, engaging with more than 31,278 healthcare practitioners in 119 hospitals nationwide, and 13,500 healthcare students across 41 Australian universities.

Hospital indemnity information sessions

Our team attends hospitals countrywide to provide general indemnity insurance information, guidance, and support to our membership. These sessions ensure our members have easy access to information, support and advice at their place of work or study.

Australian Foundation for Plastic Surgery (AFPS)

We partnered with AFPS to develop patient assessment tools, evidence-based assessment and follow-up procedures framework to deliver patient centred care. The tools have been developed to improve patient safety through appropriate procedure assessment and selection. The goal is to deliver better outcomes for healthcare practitioners, and the patient, using robust tools that can also be used beyond the arena of plastic surgery. With the trial now complete, the tools are expected to be launched in 2022/23.

Australian College of Emergency Medicine WA SUPER course

We are proud supporters of the Western Australian arm of the Australian College of Emergency Medicine’s SUPER program. This free skills-based refresher course for returning parents offers education, simulations and conversations to smooth the transition back to working life.

Curriculum-aligned Education

Taking into account key healthcare educational frameworks, standards and regulations, MIPS expanded our curriculum-aligned education offerings across 2021/22 to registrar teaching, providing 11 tailored education presentations to emergency medicine registrars across this time period.



Dr Abhay Gupta
St Vincent’s
Hospital,
Melbourne

Tamar Wellington
Relationship
Development
Specialist, MIPS

Mental health and wellbeing

When considering sponsorship opportunities, MIPS seeks out innovative ways to support the ongoing health and wellbeing of our membership.

Doctors' Dog Day Out

Encouraging doctors to prioritise self-care, network with their peers and access professional mentors while interacting with puppies.



'Paws' for Thought

In partnership with Build a Bear, doctors-in-training take time out to write messages of hope and present teddy bears to children in hospital.



CrazySocks4Docs and RUOk? Day

Acknowledging and supporting initiatives that raise awareness of the impact of mental health issues on healthcare practitioners.



MIPS Online Portal, Are you okay?

A MIPS member online resource portal for mental health and wellbeing support.



MIPS Cup

Inter-university event encourages socialisation, team bonding and an active lifestyle.



Coffee, cookies and lunches

An opportunity for everyone to take a break in their busy schedules and enjoy a cupcake from MIPS.



MIPS Business Partnership

MIPS partnered with St Vincent’s Hospital to tailor an initiative encouraging participation in education offerings, while promoting wellbeing. The program ran from May to August in 2022.

“We’re always looking for opportunities to enhance our education offerings, particularly at the intersection of education and wellbeing,” said Belinda Healy, Medical Education Coordinator at Melbourne’s St Vincent’s Hospital.

“Changing culture is tough. Doctors should be encouraged to step away from the clinical environment to invest in their professional development. We want to encourage as many pre-vocational doctors to attend weekly education as possible.

“I’m quite passionate about caring for our doctors in a way that doesn’t set the bar at just ‘fit to work.’ Our team’s vision is for doctors to be absolutely thriving and flourishing. While exploring partnership opportunities, I was connected to Tamar [MIPS Relationship Development Specialist] and speaking with him, it was very clear that he and MIPS had a genuine interest in supporting the wellbeing of junior doctors.

“The program MIPS supported offered wellbeing-focused lucky door prizes for weekly education session attendees. The winners scored thoughtfully curated prizes that encouraged them to take time out, including a healthy cookbook kit, camping essentials, and beautiful art supplies. We’re incentivising wellbeing by saying, step away from your clinical work for an hour, invest in yourself, learn and socialise. And by the way, here’s some great wellbeing tools!

“There were numerous times during the pandemic where Tamar touched base, saying ‘we’re here, the door is open, come and chat to us whenever you need.’ We at St Vincent’s feel very supported by MIPS. We have to invest in those following in our footsteps and MIPS is supporting us to do just that. We’re very grateful.”



Belinda Healy
Medical Education Coordinator,
St Vincent’s Hospital Melbourne



Tamar Wellington
Relationship Development Specialist

Plans for the Future



Alexis Hunt
Project and Change
Manager

Rohan John
Performance, Data and
Analytics Manager

MIPS 2023 Strategy

MIPS has built a strong strategic foundation to ensure we meet the needs of our membership. We will continue to build our platform for growth and drive internal efficiency, positioning MIPS for enduring progress.

Our long-term strategy harnesses an evidence-led approach to sustainability, member focus and growth, with the aim of meeting the needs of members, the community, our people and external stakeholders. This approach has already informed future initiatives designed to meet the changing needs of our existing and prospective members.

Over the coming years, we will continue to focus on our five strategic priorities:

Developing our people

Achieving operational excellence

Grow revenue and scale sustainably

Delivering on our member-centric value proposition

Enhancing decision-making through improved analytical capability

We have established an exciting program of works, with the aim of improving member experience, building resilience, and further developing our high-performing, member-centric culture.

We believe the realisation of our strategic priorities will aid in maintaining our position as a leading medical defence organisation, recognised for protecting healthcare practitioners while they care for others.

Our Plans for 2022/23

Enhancing member experience

by improving our digital touchpoints, products and services, and risk education offerings.

Refreshing our 'Voice of Member' program

to seek member feedback and ensure we continue to evolve as a member-focused organisation.

Articulating and implementing a strong employee value proposition

so MIPS can attract and retain the best talent in the market.

Focusing on our ESG responsibilities

to contribute to a resilient tomorrow for our members, the wider healthcare community and the world.

Building on our data analytics

for the benefit of our members.

Responding to new APRA standards, accounting standards and other compliance requirements.

Our Commitments for an Equitable Tomorrow

Gender diverse workforce and executive



MIPS lived our commitment to gender diversity in 2021/22 with women in four of our seven executive roles.

Tobacco-free investments



MIPS has for many years opted to not invest in companies involved in the tobacco industry. In 2021 we signed the Tobacco-Free Finance Pledge, encouraging other institutional investors to follow suit.

Modern Slavery Statement



Assessing modern slavery risk and taking actions to address those risks is the right thing to do, and drives commercial and social value for MIPS, which results in value for members.

Whistleblower program



MIPS is committed to the highest levels of ethics and integrity in the way we do business. In 2022, MIPS strengthened our resolve to build an environment where people feel free to raise legitimate issues by introducing a Whistleblower Hotline in partnership with a third party.

Employee Workplace Wellbeing Committee (MIPS WellSpace)



Our people-led initiative demonstrates MIPS' commitment to increasing wellbeing awareness among our people, building a culture that encourages and fosters good physical, emotional, and mental wellbeing.

High employee engagement



MIPS undertakes an annual engagement survey and is proud to be an organisation where our people are connected, motivated and committed to our shared goals. Our employee engagement score of 76% was a 7% increase from 69% in 2020/21.

Flexible working arrangements



MIPS enhanced its flexible working policy in 2021/22 and we are dedicated to continuing to support the 95% of our people who are availing themselves of our flexible work offering.

Transforming Our Digital Infrastructure

While the rapid transition to telehealth was challenging our members, MIPS was moving our people to hybrid working arrangements. Connecting our people and members efficiently harnessing the powers of technology, even when working remotely, was crucial to our members' experience during the pandemic.

2021/22 Achievements

Deploying new equipment and services

to support an effective mobile workforce, operating securely from any location

Introducing new technology operations and senior management roles

growing our people to support our evolution

Automating processes

to free our people from routine administration, so they can focus on high value member interactions

Tightening our focus on infrastructure and data protection

with extensive security testing and delivering on our industry-aligned security improvement roadmap

2017/18 and 2018/19 saw MIPS refresh core infrastructure, leveraging advances in cloud platforms, distributed security, and virtual distributed networks. Throughout 2020/21 and 2021/22, we harnessed and adapted that core infrastructure to embed a cohesive computing experience for our people, regardless of their location.

Looking to 2022/23 and beyond, we are evolving our digital infrastructure by comprehensively realigning our applications and technology services to support the changing needs of our business and membership.

This transformation will enable us to deliver even greater digital experiences for our people and members. With more expansive and convenient access to MIPS information and services online where and when you need it.

"Digital success is the convergence of people, processes, technology, and culture. We will respond to opportunities at pace, continuing to deliver the highest value to our members and the community they serve."

Lucian Burns, Head of Technology

Our Commitments to Your Privacy and Security

MIPS is committed to remaining transparent, diligent and vigilant in our management, care and protection of member information.

The threat of security incidents is ever-present, as malicious actors across the globe develop new and novel methods of cybercrime. Breaches can lead to irreparable harm, particularly when information accessed relates to matters of health, treatment, and reputation.

Threats of this nature have attracted priority and highest concern from government, regulators, and organisations like MIPS. We play a pivotal role in safeguarding the information of our members by placing security at the centre of our decisions and operations.

In 2020/21 we consolidated our information and cyber security programs, leveraging leading security frameworks from government and industry to create a cyber maturity roadmap.

In 2021/22, we met improvement targets against industry control frameworks, with a strong focus and investment in cyber security awareness, risk behaviours, and information security technology.

MIPS seeks to mitigate cyber risk across the whole-of-threat lifecycle, harnessing initiatives and technology to reduce the likelihood of cyber events. These risk-mitigation strategies include comprehensive and well-tested plans to respond rapidly to avoid or reduce harm. Our external cyber partners undertake regular threat assessments, vulnerability assessments, and response simulation exercises.

It is our duty to cooperate and collaborate across industry, and with government, regulators, and other stakeholders to protect our members and the public. MIPS is a partner of the Australian Cyber Security Centre (ACSC) and participates in the ACSC Report Cyber Program.

In 2022/23 our commitment is to remain diligent in our management, care and protection of our members' information.



Wendy Wu
Business Analyst

MIPS' Workplace



Pam Maragos
People and Culture Coordinator

Supporting Our People

As the world emerges from the pandemic, we continue to focus on our people as our greatest strength and ultimate source of member value. We empower our people to embody the MIPS WHO ME behaviours, and in doing so, deliver impressively on our member purpose.

88

Employees

4/7

Women in executive leadership roles

Employee profile

68%

Female

32%

Male

67%

Employees in roles directly supporting our members¹

76%

Employee engagement score

Culture and behaviours

WHO ME behaviours are embedded in our ways of working to foster a culture of accountability, collaboration, innovation and positivity. These behaviours underpin our people’s every action, and are exemplified in our Executive Leadership Team’s ‘Culture Moments’ where an individual is identified and thanked for displaying behaviours that embody WHO ME

- **W**ork together
- **H**ave fun
- **O**wn it
- **M**ake a difference
- **E**mbrace challenge

Reward and recognition program

In 2021/22 MIPS selected an exciting new reward-and-recognition platform which will assist us to further solidify our WHO ME values into the way we recognise our people.

Flexible working

The pandemic provided us with a unique opportunity to transition to hybrid working arrangements where flexibility became the rule, rather than the exception. Our flexible working policy was launched in 2021, and refreshed in 2022.

“Flexibility is unique to individuals. Personalising our offering has become a part of the way we support our people to be their best.”

Kate Silverback, Head of People and Culture

MIPS WellSpace

The effects of the pandemic impacted the wellbeing of many of our people. In response, we launched MIPS’ wellbeing committee, MIPS WellSpace, created to help us embed wellbeing in our ways of working. Our committee endeavours to promote and prioritise the physical, emotional and mental wellbeing of our people.

New performance framework

We improved our performance framework in 2021/22 with a focus on achievable learnings. The updated processes and supporting platform allows us to match the performance of our people with MIPS’ member purpose. This framework is an evolution of the way we track our people’s performance, aligning member values to individual development.

¹ Member services, professional services and education

Governance



Sarah Geistendor
Risk, Regulatory and Compliance Manager

Our Structure

MIPS is a member-based organisation protecting, supporting and advising healthcare practitioners across Australia. Our governance is supported by a Board with seven non-executive directors; a mix of medical practitioners and professional directors.

MIPS Insurance (MIPSi) is a wholly owned subsidiary insurer, providing MIPS members with medical indemnity insurance coverage. The MIPSi Board of directors consists of non-executive directors with expertise in healthcare, insurance, regulatory and actuarial matters.

The Executive Leadership Team is led by the Chief Executive Officer (CEO), Natasha Anning. Natasha was appointed in January 2020.

MIPS Board Directors

The MIPS Board provides overarching governance and guidance. It comprises a mix of seven directors, including health professionals and independent non-executive directors.



Mr Gary Speck

**Chair AM MBBS BMedSc(Hons) FRACS
FAOrthA FAMA GAICD**

Gary obtained his qualification as an orthopaedic surgeon, FRACS (Orth) in 1983 and has specialised his practice to treatment of spinal disorders. He is an active member of the Spine Society of Australia, Australian Orthopaedic Association, North American Spine Society and Royal Australasian College of Surgeons (RACS) and chairs the RACS Medico Legal Section Committee. Gary is a consultant at the Alfred Hospital and has continuing involvement in training Orthopaedic surgeons. He is a director of MIPS Insurance, a director and past vice-president of AMA and past director and past vice-president of AMA Victoria, co-chairing the Joint LIV-Bar Council-AMAVic Committee. He was a member of the Health Innovation and Reform Council (of the Government of Victoria, advising the Health Minister) and Chairman of its Standing Committee on Health Quality, Safety and Outcomes from 2012 to 2015, and continues advisory roles to government. In 2014 he was appointed a Member of the Order of Australia (AM) for significant service to medicine as an orthopaedic surgeon, and to professional organisations.



Dr. Bruce E Taylor

MDSc, LDS, FRACDS, FADI, FICD, FPFA

Bruce graduated BDS from the University of Melbourne in 1973 and entered private practice for six years. Since gaining his MDSc in 1981, he practised as a specialist orthodontist in private practice in Melbourne. In 2017 he ceased his 40-year association with the University of Melbourne as a part-time senior lecturer and consultant. He is a past president and life member of the Australian Dental Association (Vic). Bruce was a director of the Australian Dental Council for 10 years and is past chairman of the Policy Advisory Committee of the Professional Provident Fund. Based in Melbourne, he is a Director of Victorian Medical Insurance Agency Ltd.



Mr. Anthony Mason

BSocSC, FIA, Hon FFFLM

For 27 years Tony was a consulting actuary with the partnership Lane Clark and Peacock (LCP), the largest independent actuarial consultancy in the UK. Between 1996 and 2007 he was LCP's managing director. Since 1983 he has specialised in medical negligence and his clients included the worldwide operations of Medical Protection Society (MPS) and the NHS Litigation Authority in England, plus many other governments and international insurers. From the mid-1980s he was heavily involved in advising medical defence organisations in Australia and in 1988 became the consulting actuary to MIPS until he left LCP to become the CEO of MIPS in 2007. Since retiring from MPS, he now performs part-time international consultancy for Medical Protective in the USA and he became a non-executive director of MIPS Insurance in 2012. In 2011 he was made an Honorary Fellow of the Faculty of Forensic and Legal Medicine.



Ms. Sue Carter

BBA(Hons), Grad Dip (App Fin and Invest), MAppSci, ACA (UK), FAICD

Sue is a professional non-executive director and a consultant in corporate governance and Board effectiveness. She is an Australian Institute of Company Directors Facilitator in directors' duties, financial reporting, decision making and Board processes. She qualified as a Chartered Accountant with KPMG in the UK and holds a BA(Hons) in Economics and History together with a Master of Applied Science in Organisation Dynamics. She is a past ASIC Regional Commissioner for Victoria and a past director of the Professional Indemnity Insurance Company Australia. Sue is currently a non-executive director of ANZ Australian Staff Superannuation and Chairman of Protect Services.



Merran Kelsall

B. Com. (Hons.), FCPA, FCA, MBA, FAICD, FFin

Merran is an experienced, independent non-executive director and chair with expertise in finance, audit, risk, and compliance. She has a strong focus on corporate governance including financial and non-financial external reporting to include strategy, risk management and aligning performance management with strategy. Merran has worked extensively with member-based organisations and those delivering public interest outcomes. She previously spent over 20 years in public practice. Her industry experience includes financial and professional services; insurance; superannuation; health; education; contract management and utilities and major infrastructure projects. Merran is a former Chairman and CEO of the Australian Auditing and Assurance Standards Board (AUASB) and Member of the International Auditing and Assurance Standards Board (IAASB).



Dr. Bruce Mugford

BMBS, FRACGP, FACRRM, MPHMT, Grad Dip Family Med

Bruce graduated from Flinders University in 1984 and became a Fellow of the College of General Practitioners in 1995. He presently works as a Rural Generalist and urban GP but has also held senior executive positions in corporate medicine and general practice training. Bruce has been a member of the Australian Medical Council for 6 years and a Director for the last four, sitting on the Finance and Risk Management and Investment Advisory sub-committees. He is also a practitioner member of the Medical Board of South Australia, a position he has held for the last 8 years, sitting on the Registration and Notifications sub-committees.



Dr Victoria Atkinson

MBBS, MHM, GAICD, FRACS

Building on a career as a cardiothoracic surgeon at the Royal Melbourne Hospital, Victoria has combined her clinical knowledge with an executive career, as the National Chief Medical Officer for Healthscope Ltd. With over 25 years' experience across public, private and not-for-profit health sectors as well as aged care, Victoria's experience spans clinical, executive and director roles. Victoria has extensive Board experience and in addition to the MIPS Board, is currently a Non-Executive Director on the Methodist Ladies College and Opal Aged Care Boards.



Mr. Charles Steadman

**(Retired 31 December 2021)
Assoc Prof, MBBS, MD, FRACP, FAICD, AGAF**

Charles graduated in medicine from the University of Queensland in 1980. After service as a rural medical practitioner he trained in internal medicine and gastroenterology at the Princess Alexandra Hospital in Brisbane and then was a Fulbright Scholar at the Mayo Clinic in the USA. He returned to Australia as Director of Gastroenterology and Hepatology at Princess Alexandra Hospital and later entered private specialist practice in Brisbane. He is a Fellow of the Australian Institute of Company Directors, Associate Professor of Medicine with the University of Queensland, a director of Queensland Doctors' Mutual Pty Ltd and Queensland Gastroenterology Pty Ltd. Charles was a director and Honorary Treasurer of the Royal Australasian College of Physicians and has served overseas as an ADF medical officer.



Dr. Leanne Rowe

**(Retired 31 December 2021)
MD, MB BS, FRACGP, FAICD, HonLLD Monash**

Dr. Rowe is a Clinical Professor and medical practitioner with over 30 years' clinical experience in the public and private health systems across acute care, aged care, mental health and community health. She is Non-Executive Director of the Medical Indemnity Protection Society and MIPS Insurance. Previously she was Chairman of the Royal Australian College of General Practitioners and a Non-Executive Director of I-MED Radiology Network, Medibank Private, GMHBA, Australian Health Management, Barwon Health and Beyond Blue. Leanne is a former Deputy Chancellor of Monash University and has been awarded a Doctor of Laws (honoris causa) for her services. She has also received a Member of the Order of Australia for her services to medicine and is a Fellow of the Royal Australian College of General Practitioners and the Australian Institute of Company Directors.

MIPSi Board Directors



Dr. Christopher Wallace

**BEc (Hons), PhD (Econ), Fellow ANZIIF
CIP, GAICD**

Chris is a non-executive director and senior executive with expertise in insurance strategy and insurance governance. Chris has led insurance organisations in general insurance, private health insurance, reinsurance, and government sector. His government experience includes his current role as Chief Executive for the Australian Government’s reinsurance pools for terrorism and cyclone catastrophes. Chris has experience with the OECD (The Organisation for Economic Co-operation and Development) where he is a member of the high-level advisory Board for the Financial Management of Catastrophes. Chris has worked for insurers including Suncorp in workers compensation insurance and consulting and EY as an insurance strategy consultant. He is qualified as a Doctor of Philosophy in Economics specialising in insurance pricing and insurance strategy; a Fellow and Certified Insurance Professional of the Australian and New Zealand Institute of Insurance and Finance; and a Graduate of the Australian Institute of Company Directors with an Order of Merit.



Mr Gary Speck

**Chair AM MBBS BMedSc(Hons) FRACS
FAOrthA FAMA GAICD**

Gary obtained his qualification as an orthopaedic surgeon, FRACS (Orth) in 1983 and has specialised his practice to treatment of spinal disorders. He is an active member of the Spine Society of Australia, Australian Orthopaedic Association, North American Spine Society and Royal Australasian College of Surgeons (RACS) and chairs the RACS Medico Legal Section Committee. Gary is a consultant at the Alfred Hospital and has continuing involvement in training Orthopaedic surgeons. He is a director of MIPS Insurance, a director and past vice-president of AMA and past director and past vice-president of AMA Victoria, co-chairing the Joint LIV-Bar Council-AMAVic Committee. He was a member of the Health Innovation and Reform Council (of the Government of Victoria, advising the Health Minister) and Chairman of its Standing Committee on Health Quality, Safety and Outcomes from 2012 to 2015, and continues advisory roles to government. In 2014 he was appointed a Member of the Order of Australia (AM) for significant service to medicine as an orthopaedic surgeon, and to professional organisations.



Mr. Anthony Mason

BSocSC, FIA, Hon FFFLM

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MIPSi Board Directors



Mr Paul Kernaghan

BA Econ (Hons), FCA, GAICD

After spending his early professional years in the UK in Chartered Accounting, audit and consulting, Paul moved to Australia in 1993. Over a 25-year career in financial services he held several senior executive roles, most notably for 11 years at Allianz Insurance where he led several operating units and corporate functions in strategy, marketing, M&A, compliance, and risk management. Paul was a member of several Allianz Australia subsidiary Boards and was also Company Secretary. After leaving Allianz, he worked for 2 years as Chief Operating Officer of the Sydney Children's Hospital Foundation (SCHF), leading the amalgamation of SCHF with The Westmead Children's Hospital Charity. Paul now focuses on Board and entity corporate governance, particularly in the areas of risk management, compliance, and audit.



Ms Robyn Bateup

BSc (Maths and Statistics), Fellow of the Institute of Actuaries, Australia, GAICD

Robyn is a qualified Actuary and an experienced, independent non-executive Director. Robyn has over 25 years' experience in the general insurance industry, advising corporate and government entities, and has extensive knowledge of medical indemnity insurance in Australia. Robyn is also a Graduate of the Australian Institute of Company Directors. Robyn brings risk management, governance, regulatory, financial and actuarial expertise to the Board. Robyn is currently a Director of Eric Insurance and a member of the ACT Insurance Authority Advisory Board.

Board Committees and Membership

(1 July 2021 – 30 June 2022)

Name	About	Chair	Members
Group Investment Committee	The GIC oversees the implementation of the investment policies set by the MIPS and MIPSi Boards. It also sets investment objectives for the investment of the assets, and monitors investment performance to test whether objectives are being met.	Dr Charles Steadman (retired 31 December 2021) Ms Merran Kelsall (1 January 2022 - Current)	Mr Gary Speck Dr Bruce Taylor Ms Merran Kelsall Ms Natasha Anning Mr Roger Miles (until 1 November 2021)
Group Audit Committee	The GAC provides oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations.	Mr Paul Kernaghan	Mr Anthony Mason Dr Christopher Wallace Ms Susan Carter
Group Risk and Compliance Committee	The GRCC provides objective review and oversight across the MIPS Group for all categories of risk, setting risk appetite and having oversight of the risk framework. It also is responsible for monitoring the compliance profile of the business and associated policies and procedures relating to compliance.	Mr Paul Kernaghan	Mr Anthony Mason Dr Christopher Wallace Ms Susan Carter
Group People and Remuneration Committee	The purpose of the GPRC is to oversee the development of MIPS Group's people and remuneration functions and strategies to support the strategic objectives of the Group.	Dr Christopher Wallace	Mr Gary Speck Ms Leanne Rowe (retired 31 December 2021) Mr Paul Kernaghan Mr Anthony Mason

Identifying and Managing Risk

Internal audit

MIPS has an outsourced internal audit function. This function is provided by a third party who report to the Group Audit Committee (GAC).

The GAC supports the Board by providing an independent evaluation of the design and operating efficacy of our financial and risk management systems. The GAC is responsible for the approval of the three-year rolling Internal Audit Plan, which is a risk-based program aligned to our strategic priorities and the macro-environment in which we operate. The internal audit function has a direct reporting line to the GAC chair and unrestricted access to all activities in the business.

Risk management

Our risk management framework encompasses the people, systems and processes that manage risk across the business, guiding the identification, assessment, management, and monitoring of risks our business faces.

The effectiveness of the framework design and operation is assessed annually and comprehensively as required by APRA Prudential Standard CPS 220 Risk Management.

Risk governance

The MIPS Group consists of two core entities, MIPS and MIPS Insurance (MIPSi). Both entities hold Australian Financial Services Licences (AFSLs), and MIPSi is authorised by the Australian Prudential Regulatory Authority (APRA) as a licensed insurer.

The MIPS and MIPSi Boards have joint responsibility for MIPS' risk management framework. The key artefacts relating to the risk management framework, including the risk appetite statement and risk management strategy, are approved annually by the MIPS and MIPSi Boards. Our Boards are assisted by the Group Risk and Compliance Committee in monitoring the design and implementation of the risk management framework.

Oversight and management of MIPS' material risks is provided through the executive management committees of Executive Risk and Compliance Committee and Membership Acceptance and Advisory Committee.

MIPS has adopted the three lines of defence model to define risk management roles and responsibilities:

1st Line Risk Ownership Management and Operations

Management is accountable for identifying, assessing, monitoring and managing material risks in the business. They are responsible for decision-making and the execution of business activities, whilst managing risk to ensure it is in line with the Boards' risk appetite and strategy.

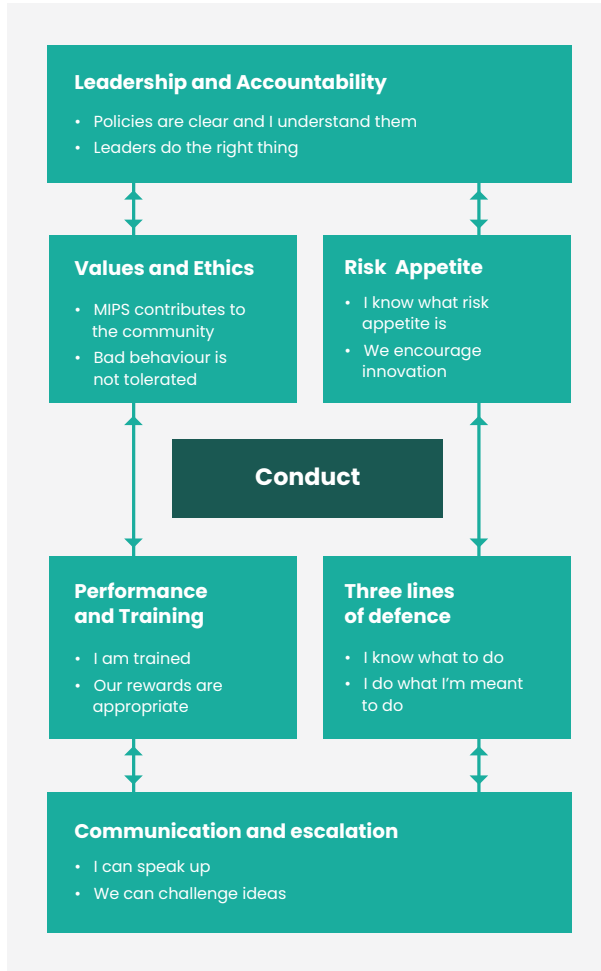
2nd Line Guidance, challenge and oversight Risk and Compliance

The Risk and Compliance team provide objective advice and challenge to the first line (management) on risk and control activities and provide assurance and guidance on the design and implementation of appropriate risk management activities.

3rd Line Independent Assurance Internal Audit or other Third Party

The internal audit function provides independent assurance to the GAC and the MIPS Board on the adequacy and effectiveness of the risk management systems, financial reporting processes and internal control and compliance systems operating in the first and second line.

Risk culture



An engaged organisational culture relies on alignment between purpose, values, behaviours and strategic direction.

With a focus on 'doing the right thing' for our members, our purpose and behaviours provide guidance for what is expected of our people.

Our risk culture framework provides a link between our WHO ME behaviours, our strategic objectives, and outcomes for members. We are committed to not only complying with regulatory requirements but acting ethically and responsibly in relation to our people, members, and the community.



Pam Maragos
People and Culture
Coordinator

Renzo Varela
Marketing Analyst

Material business risks

Material risks are those that are deemed to have significant impact on our operations, financial management, and strategic objectives.

The pandemic has, and will continue to have, the potential to impact our material and business risks. We monitor the uncertainty introduced by the pandemic and its impact to the risk profile for both financial and non-financial risks.

“The current macro-environment trend of increasing inflation and its impacts on our investment portfolio, operating costs and our members’ financial positions is being monitored as an emerging risk.”

Sarah Geistendor, Risk, Regulatory and Compliance Manager

Risk description

Information security

The risk of compromise to the confidentiality, integrity or availability of systems or information with adverse impact to our people, members or the community.

Mitigations

MIPS’ information security framework includes both monitoring and detection controls and systems. Under APRA’s Prudential Standard CPS 234, MIPS’ information security framework is subject to annual review by internal and external audit. Responsibility for the monitoring of information security resides with the Executive Technology Committee and the Group Risk and Compliance Committee.

Insurance, reinsurance and reserving

The risk of misestimation of the expected cost of insured events or incurred claims or volatility in the volume of events.

MIPS’ suite of insurance, reinsurance and reserving policies and procedures set the Board’s risk appetite with respect to insurance and underwriting practices. Responsibility for the monitoring of insurance risk resides with the Executive Insurance Risk Committee and the MIPS and MIPSi Boards.

Strategic execution

The risk MIPS is unable to meet the Board’s strategic objectives.

MIPS’ strategic risks are identified and assessed as part of the annual Business Planning process and endorsed by the MIPS and MIPSi Boards. Our key strategic risk relates to membership growth, and this influences the prioritisation of our investments and resources in the Group Business Plan. To effectively understand how strategic risks impact MIPS, detailed analysis is undertaken to articulate the threats and opportunities that specific scenarios may pose.

Regulatory compliance

The risk that MIPS’ compliance and regulatory frameworks are inadequate to detect changes to, or fail to prevent breaches of, regulatory obligations.

MIPS’ compliance management framework provides the mechanisms to respond to changes in regulatory obligations. Responsibility for the monitoring of regulatory compliance resides with the Executive Risk and Compliance Committee and the Group Risk and Compliance Committee.

Risk description

Mitigations

Capital and liquidity

The risk of capital contingency levels falling below the minimum regulatory requirement or MIPS is unable to meet financial obligations.

MIPS and MIPSi’s Investment Management Policies, approved by the respective Board, outlines the risk appetite of the Boards with respect to capital and liquidity limits. Responsibility for the monitoring of capital and liquidity risks resides with the Group Investment Committee.

Markets and investments

The risk of financial loss resulting from changes in market factors.

MIPS and MIPSi’s Investment Management Policies, approved by the respective Board, outlines the risk appetite of the Boards with respect of investment decisions. Responsibility for the monitoring of market and investment risk resides with the Group Investment Committee.

Credit

The risk of a counterparty failing to meet their financial obligations to MIPS.

MIPS and MIPSi’s Investment Management Policies, approved by the respective Board, outlines the risk appetite of the Boards with respect of counterparty exposure limits. Responsibility for the monitoring of credit risk resides with the Group Investment Committee.

Operational

The risk of financial loss from inadequate or failed internal processes, people, systems or from external events.

MIPS’ risk management framework provides the procedures for the identification, assessment, management and monitoring of operational risks and controls. Under APRA CPS 220 – Risk Management, MIPS’ risk management framework is subject to annual review by internal audit. This risk encompasses technology operations, business continuity, outsourcing, fraud, people and health and safety. Responsibility for the monitoring of operational risk resides with the Executive Risk and Compliance Committee and the Group Risk and Compliance Committee.

Environmental, Social and Governance (ESG) Risks

We acknowledge the growing community and regulatory expectations around the management of environmental, social and governance risks. In response, we are developing an ESG strategy which will integrate with the risk management framework, and as appropriate, risks emerging from the strategy will be subject to management and monitoring to the relevant Committee for oversight.

Investment Governance

The joint Boards are further assisted by the Group Investment Committee, which monitors the design and implementation of the Investment Management Policy, and the Group People and Remuneration Committee, which monitors the design and implementation of the People and Remuneration policies.

Credentials and Key Personnel Directory

Name	Role	Credentials and Affiliations
Natasha Anning	Chief Executive Officer	Bachelor of International Business Graduate Diploma of Indonesian Language Master of Finance Fellow, FINSIA
Barry Leung	Executive General Manager, Performance	Bachelor of Commerce (Hons) Graduate Diploma of Health Economics Graduate Diploma of Applied Finance and Investment Fellow, Institute of Actuaries of Australia
Naomi Feast	Chief Risk Officer and Company Secretary	Bachelor of Laws Master of Business Administration Fellow, Governance Institute of Australia
Mark Raberger	Executive General Manager, Service and Operations	Bachelor of Applied Science (Physiotherapy) Graduate Diploma of Ergonomics Associate Fellow, Australasian Life Underwriting and Claims Association (ALUCA)
Marianne Dodd	Executive General Manager, Member Experience	Bachelor of Applied Science (Biotechnology) (Hons) Member, Australian Marketing Institute
Kate Silverback	Head of People and Culture	Bachelor of Arts Graduate Diploma of Education Certified Professional, Australian HR Institute (AHR)
Lucian Burns	Head of Technology	Diploma of Electrical and Software Engineering Certified Information Security Manager Certified Risk and Systems Controls

Executive Leadership Team



Natasha Anning

Chief Executive Officer, MIPS and MIPS Insurance

Natasha is a strategic leader with extensive experience across general and life insurance and management consulting in Australia and the UK. She believes the most effective way to drive sustainable value for members is to invest time and effort into the people delivering on our member proposition. Natasha is passionate about insurance and membership organisations given the value they deliver for their members and the community. Natasha holds a Master of Finance, a Bachelor of International Business and is a Fellow of FINSIA.



Barry Leung

Executive General Manager, Performance

Barry is a Fellow of the Actuaries Institute, and is responsible for the finance, actuarial, treasury, data analytics functions and program management office. He has experience working in the healthcare and insurance sectors, holding a number of senior roles across major health insurers including Medibank and Defence Health. Barry is passionate about better health for all. Prior to joining MIPS, he was an Impact Insurance Fellow with the International Labour Organisation, advising the National Health Insurance Authority in Ghana West Africa on the country's universal health cover scheme.



Naomi Feast

Chief Risk Officer and Company Secretary

Prior to joining MIPS, Naomi worked in the insurance and energy industries in varied executive and senior roles, and across policy, regulatory and consumer protection experience in state and federal government. A Fellow of the Governance Institute, Naomi holds a Bachelor of Laws and Master of Business Administration. Outside of her work at MIPS, Naomi volunteers her time as an external member of the Finance, Audit and Risk Committee for 'Fitted for Work,' an organisation dedicated to helping women find and retain employment.



Mark Raberger

Executive General Manager, Service and Operations

Mark has considerable insurance experience across workers compensation, life insurance and now in medical indemnity with MIPS. He is a qualified physiotherapist, having worked in private practice for some years, and was an active chair of the Board of the Australasian Life, Underwriting and Claims Association (ALUCA). He brings with him a wealth of knowledge and experience in operations, enabling best practice in claims management and member services. An advocate for strong communication, positive culture and continuous improvement, Mark continuously delivers exceptional experiences for our members.



Marianne Dodd

Executive General Manager, Member Experience

Marianne has extensive experience leading member experience, marketing and product functions in commercial and member-based organisations. She has successfully spearheaded customer and member transformations in the financial services and education industries, leveraging her unique ability to align innovation with brand and technology. Marianne is a member of the Australian Marketing Institute and holds a degree in Applied Science. She is dedicated to creating meaningful experiences that truly make a difference to people's lives.



Kate Silverback

Head of People and Culture

A values-based leader with a fresh, people-centric approach, Kate's belief that job roles should be meaningful, rewarding and fun has seen her spearhead bold changes within MIPS, with impressive results. Her People and Culture experience is diverse, spanning several industries in Australia, Japan, Canada and the UK. Kate holds a degree in Journalism; completed her postgraduate studies in Education; and is a certified professional (CAHRI) with the Australian Human Resources Institute (AHRI).



Lucian Burns

Head of Technology

Lucian takes pride in delivering secure and meaningful technology experiences, generating value for our people and members whilst paving the way for an increasingly digital future. He is influenced by a diverse career spanning roles in engineering, member service, management, and leadership, with almost two decades in mutual insurance. He believes that culture is the cornerstone of technology, for worthy and far-reaching outcomes.

Annual Finance Report



Amar Dutia
Financial Controller

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Medical Indemnity Protection Society Ltd (MIPS) ABN 64 007 067 281 AFSL 301912. MIPS Insurance Pty Ltd (MIPSi) ABN 81 089 048 359 AFSL 247301 is a wholly owned subsidiary of MIPS and issues the indemnity insurance policy that is a benefit of MIPS membership.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Medical Indemnity Protection Society Limited (referred to hereafter as the 'Society' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of Medical Indemnity Protection Society Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

G R Speck (Chair)
V P C Atkinson (from 1/03/2022)
S Carter
M H Kelsall
A D Mason
B V Mugford (from 1/03/2022)
L Rowe (Until 31/12/2021)
C J Steadman (Until 31/12/2021)
B E Taylor

Meetings of directors

The number of meetings of the Society's directors held during the year ended 30 June 2022, and the number attended by each director during the time the director held office during the year ended 30 June 2022 is disclosed below:

	Meetings held during the year	Meetings Attended
G R Speck (Chair)	6	6
V P C Atkinson (From 1/03/2022)	6	2
S Carter	6	6
M H Kelsall	6	6
L Rowe (Until 31/12/2021)	6	3
A D Mason	6	6
B V Mugford (From 1/3/2022)	6	2
C J Steadman (Until 31/12/2021)	6	2
B E Taylor	6	6

Meetings of the Group Audit and Compliance Committee (GACC)/Group Audit Committee (GAC) ¹

The number of meetings of the GACC/GAC held during the year ended 30 June 2022, and the number attended by each member of the GACC/GAC during the time the member of the GACC/GAC held office during the year ended 30 June 2022 are disclosed below:

	Meetings held during the year	Meetings Attended
P S Kernaghan ^A (Chair)	4	4
S Carter	4	4
A D Mason	4	4
C G Wallace ^B	4	4

^A P S Kernaghan is not a director of the Society, but is a director of the subsidiary.

^B C G Wallace is not a director of the Society, but is a director of the subsidiary.

Meetings of the Group Risk Committee (GRC)/Group Risk and Compliance Committee (GRCC) ¹

The number of meetings of the GRC/GRCC held during the year ended 30 June 2022, and the number attended by each member of the GRC/GRCC during the time the member of the GRC/GRCC held office during the year ended 30 June 2022 are disclosed below:

	Meetings held during the year	Meetings Attended
P S Kernaghan ^A (Chair)	4	4
S Carter	4	4
A D Mason	4	4
C G Wallace ^B	4	4

^A P S Kernaghan is not a director of the Society, but is a director of the subsidiary.

^B C G Wallace is not a director of the Society, but is a director of the subsidiary.

¹ The GACC was restructured to transfer compliance and regulatory reporting responsibilities to the GRCC on the 22 March 2022.

Meetings of the Group Investment Committee (GIC)

The number of meetings of the GIC held during the year ended 30 June 2022, and the number attended by each member of the GIC during the time the member of the GIC held office during the year ended 30 June 2022 are disclosed below. The GIC meets formally as and when required however matters were routinely and regularly communicated and discussed using electronic means.

	Meetings held during the year	Meetings Attended
M H Kelsall (Chair from 1/01/2022)	4	4
C J Steadman (Chair until 31/12/2021)	4	2
N Anning ^A	4	4
R J Miles ^B (Until 29/11/2021)	4	2
G R Speck	4	4
B E Taylor	4	4

^A N Anning is the Chief Executive Officer and is not a director of the Society.

^B R J Miles was the Chief Financial Officer and was not a director of the Society departed on the 29 November 2021.

Group People and Remuneration Committee (GPRC)

The number of meetings of the GPRC held during the year ended 30 June 2022, and the number attended by each member of the GPRC during the time the member of the GPRC held office during the year ended 30 June 2022 are disclosed below:

	Meetings held during the year	Meetings Attended
C G Wallace ^A (Chair)	4	4
P S Kernaghan ^B	4	4
A D Mason	4	4
L Rowe (Until 31/12/2021)	4	3
G R Speck	4	4

^A C G Wallace is not a director of the Society, but is a director of the subsidiary.

^B P S Kernaghan is not a director of the Society, but is a director of the subsidiary.

Summary Information about Directors

Director	Qualifications	Special responsibilities and relevant experience
G R Speck, Chair	AM, MBBS, BMedSc (Hons), FRACS, FAOrthA, FAMA, GAICD	Member, Group Investment Committee Member, Group People and Remuneration Committee
V P C Atkinson (From 1/3/2022)	MBBS Hons FRACS cardiothoracic surgery GAICD Masters Health Administration (MHA), AFRACMA, EDAC	
S Carter	BA(Hons), Grad Dip (App Fin & Invest), MAppSci, ACA (UK), FAICD	Member, Group Audit Committee
M H Kelsall	B. Com. (Hons.), FCPA, FCA, MBA, FAICD, FFin	Chair, Group Investment Committee
A D Mason	BSocSc, FIA, Hon FFFLM	Member, Group Investment Committee Member, Group Risk and Compliance Committee Member, Group People and Remuneration Committee
B V Mugford (From 1/3/2022)	BMBS, FRACGP, FACRRM, MPHTM, Grad Dip Family Med.	
L Rowe (Until 31/12/2021)	AM, MBBS, MD, FRACGP, FAICD Doctor of Laws honoris causa	Member, Group People and Remuneration Committee (Until 31 December 2021)
C J Steadman (Until 31/12/2021)	AM, MBBS, MD, FRACP, FAICD, AGAF	Chair, Group Investment Committee (Until 31 December 2021)
B E Taylor	MDSc, LDS, FRACDS, FADI, FICD, PFPA, GAICD	Member, Group Investment Committee
Company Secretary	Qualifications	Special responsibilities and relevant experience
N Feast	LLB, MBA, AGIA	Non-Executive Director, Future Foundations Pty Ltd Independent Member, Finance, Audit and Risk Committee, Fitted for Work

Principal activities

The Group's business is to protect, support and safeguard the character and interests of medical practitioners and to provide medical membership benefits including indemnity insurance to members.

Review of operations and results

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Total comprehensive surplus/(deficit)	(21,112)	29,061	(14,546)	181

The 2021/22 year saw a number of headwinds emanating from the worldwide economy. Despite a \$13.7m increase in net earned premium in MIPSi, the rising inflationary outlook, combined with increasing interest rates, have had a significant adverse impact on claims costs and investment returns for the Group.

The current economic environment has changed the Group's view of claims inflation and has introduced additional uncertainty into claims and premium liability estimations. Accordingly, the Group has increased its best estimate view towards future claims inflation and has provided for additional uncertainty when setting prudential margins, and this resulted in establishment of a \$902k unexpired risk reserve.

Fundamental to the year-on-year decline in the Subsidiary's (MIPSi) results was the strong insurance result achieved in 2020/21 due to change in actuarial assumptions.

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, Corporations Act 2001, including the application of ASIC Class Order CO 10/654 allowing the disclosure of Parent entity financial statements due to Australian Financial Services Licensing obligations.

Dividends

The Society's constitution prohibits the payment of dividends. No dividend was therefore paid or proposed for the year ended 30 June 2022 (2021: \$Nil).

During the year the Society received dividends and return of capital upon the voluntary deregistration of some of its subsidiaries.

Significant changes in state of affairs

During the year, the Society as part of an external investment review, appointed an Independent Investment Adviser to assist with recommending investment strategy based on the Society's investment risk appetite statements.

The objective was to advise on appropriate portfolio constructions for the Society to achieve desired returns and remain within respective investment risk appetites. That resulted in a change in the Society's investment strategy from directly held equities to a portfolio of unit trust investments.

The impact of COVID-19 still affects operations and the wider environment.

Apart from the above have been no significant changes in the state of affairs of the Group during the year ended 30 June 2022 to the date of this report.

Impact due to COVID-19

Since the declaration of COVID-19 as a global health emergency in 2020, both the impact of the virus and the information available about that impact have changed.

The adverse impact of COVID-19 on performance and therefore on the measurement of some assets and liabilities or on liquidity is slowly reducing. Management has considered the consequences of COVID-19 and other events and conditions, and while increased uncertainty exists, management has determined that they do not create a material uncertainty.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Significant events after balance date

Other than the impact and potential impact of COVID-19 discussed above, no matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect:

- (a) the Group or Society's operations in future years, or
- (b) the results of those operations in future years, or
- (c) the Group or Society's state of affairs in future financial years.

Insurance of officers

During the financial year, the Society paid a premium to insure the directors and officers of the Society against liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. No insurance cover has been provided by the Society for the benefit of the auditors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Society. No liability has arisen under these indemnities as at the date of this report.

Rounding of Amounts

The Group is of a kind referred to in ASIC (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities & Investments Commission (ASIC), relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

Ernst & Young continues in office in accordance with Section 327 of the Corporations Act 2001. The Auditor's Independence Declaration is set out on page 48.

Indemnification of Auditor

As part of the Group's terms of engagement with Ernst & Young, the Group has agreed to indemnify Ernst & Young against certain liabilities to third parties arising from their engagement as auditor. The indemnity does not extend to any liability resulting from a negligent, wrongful or wilful act or omission by Ernst & Young.

Resolution of the Directors

This report is made in accordance with a resolution of the directors.



G R Speck
Chair



B E Taylor
Director

27 September 2022
Melbourne



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**Building a better
working world**

Auditor's Independence Declaration to the Directors of Medical Indemnity Protection Society Ltd

As lead auditor for the audit of Medical Indemnity Protection Society Ltd for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Medical Indemnity Protection Society Ltd and the entities it controlled during the financial year.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'E Reekie'.

Emma Reekie
Partner
Melbourne
27 September 2022

Statements of comprehensive income

For the year ended 30 June 2022

		Group		Society	
	Note	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Revenue					
Revenue	6	60,388	58,289	64,641	61,439
Other operating revenue	7	2,356	4,676	-	1
Reinsurance and other recoveries revenue	8	13,995	5,142	-	-
Investment results	9	(4,837)	22,872	2,834	16,353
Total income		71,902	90,979	67,475	77,793
Expenses					
Outward reinsurance premium expense		(15,948)	(26,653)	-	-
Claims expense	8	(52,150)	679	-	-
Unexpired risk reserve		(902)	2,170	-	-
ROCS levy		(2,592)	(2,210)	-	-
Master policy expense		(4,420)	(4,195)	(60,522)	(57,289)
Discretionary non-medical indemnity assistance expenses	10	(1,362)	(1,714)	(1,362)	(1,714)
Other operating expenses	11	(18,443)	(16,283)	(20,137)	(17,282)
Total expenses		(95,817)	(48,206)	(82,021)	(76,285)
Surplus/(deficit) before income tax (expense)/benefit		(23,915)	42,773	(14,546)	1,508
Income tax (expense)/benefit	12	2,803	(13,712)	-	(1,327)
Total comprehensive surplus/(deficit) for the year		(21,112)	29,061	(14,546)	181

The above statements of comprehensive income should be read in conjunction with the accompanying notes

Statements of financial position

For the year ended 30 June 2022

		Group		Society	
	Note	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Current assets					
Cash and cash equivalents	13	88,157	72,344	51,502	40,186
Contract assets	14	23,583	23,749	23,583	23,749
Receivables	15	-	-	5	25
Investments	16	127,449	75,887	127,449	68,742
Reinsurance and other recoveries receivable	17	35,039	38,600	-	-
Other assets	18	13,269	21,901	59,038	56,844
Total current assets		287,497	232,481	261,577	189,546
Non-current assets					
Investments	16	223,707	314,104	-	86,123
Reinsurance and other recoveries receivable	17	123,755	130,104	-	-
Plant and equipment	19	263	230	263	230
Right-of-use assets	20	3,568	4,398	3,568	4,398
Investments in subsidiaries	21	-	-	36,250	36,508
Deferred tax asset	22	7,696	3,349	-	-
Total non-current assets		358,989	452,185	40,081	127,259
Total assets		646,486	684,666	301,658	316,805
Liabilities					
Current liabilities					
Payables	23	15,599	31,775	58,462	61,056
Current tax liability	22	23	8,860	-	-
Outstanding claims liability	24	52,793	51,902	-	-
Contract liabilities	25	55,929	52,752	55,929	52,752
Lease liabilities	20	1,138	1,279	1,138	1,279
Provisions	26	2,856	2,952	2,856	2,952
Unexpired Risk Reserve		902	-	-	-
Total current liabilities		129,240	149,520	118,385	118,039
Non-current liabilities					
Outstanding claims liability	24	195,295	185,810	-	-
Lease liabilities	20	3,065	3,777	3,065	3,777
Provisions	26	652	887	652	887
Total non-current liabilities		199,012	190,474	3,717	4,664
Total liabilities		328,252	339,994	122,102	122,703
Net assets		318,234	344,672	179,556	194,102
Equity					
Share capital	27	100	100	100	100
Retained profits		318,134	344,572	179,456	194,002
Total equity		318,234	344,672	179,556	194,102

The above statements of financial position should be read in conjunction with the accompanying notes

Statements of changes in equity

For the year ended 30 June 2022

Group	Share capital \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2020	100	315,511	315,611
Surplus after income tax expense for the year	-	29,061	29,061
Other comprehensive surplus/(deficit) for the year, net of tax	-	-	-
Total comprehensive surplus/(deficit) for the year	-	29,061	29,061
Balance at 30 June 2021	100	344,572	344,672
	Share capital \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2021	100	344,572	344,672
Deficit after income tax benefit for the year	-	(21,112)	(21,112)
Other comprehensive surplus/(deficit) for the year, net of tax	-	-	-
Total comprehensive surplus/(deficit) for the year	-	(21,112)	(21,112)
Dividend from subsidiary paid from general reserve	-	(5,326)	(5,326)
Balance at 30 June 2022	100	318,134	318,234
	Share capital \$'000	Retained profits \$'000	Total equity \$'000
Society			
Balance at 1 July 2020	100	193,821	193,921
Surplus after income tax expense for the year	-	181	181
Other comprehensive surplus/(deficit) for the year, net of tax	-	-	-
Total comprehensive surplus/(deficit) for the year	-	181	181
Balance at 30 June 2021	100	194,002	194,102
	Share capital \$'000	Retained profits \$'000	Total equity \$'000
Society			
Balance at 1 July 2021	100	194,002	194,102
Deficit after income tax benefit for the year	-	(14,546)	(14,546)
Other comprehensive surplus/(deficit) for the year, net of tax	-	-	-
Total comprehensive surplus/(deficit) for the year	-	(14,546)	(14,546)
Balance at 30 June 2022	100	179,456	179,556

The above statements of changes of equity should be read in conjunction with the accompanying notes

Statements of cash flows

For the year ended 30 June 2022

	Note	Group		Society	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash flows from operating activities					
Receipts from members		63,146	57,824	63,146	57,824
Universal cover premium received		-	13	-	-
Outward reinsurance paid		(13,608)	(22,022)	-	-
Master policy paid		(4,420)	(4,200)	(60,522)	(57,294)
Claims expense paid		(37,520)	(51,395)	-	-
Reinsurance recoveries		17,934	18,725	-	-
Non-reinsurance recoveries		5,879	19,818	3	9
ROCS levy		(2,592)	(2,209)	-	-
Dividends received		1,320	2,370	1,320	2,370
Interest received		6,057	7,733	815	2,182
Trust distributions		588	-	588	-
Other revenue		983	725	4,857	3,887
Other expenses paid		(26,819)	(18,137)	(20,790)	(15,855)
Indemnification costs paid		(1,381)	(1,254)	(1,381)	(1,254)
Income taxes paid		(10,382)	(604)	-	(601)
Net cash inflow/(outflow) from operating activities	31	(815)	7,387	(11,964)	(8,732)
Cash flows from investing activities					
Purchase of plant and equipment		(137)	(88)	(137)	(88)
Proceeds from investments		522,967	249,601	425,435	191,522
Payments for investments		(506,202)	(241,587)	(407,596)	(178,175)
Dividends received from subsidiaries		-	-	5,320	-
Return of capital from subsidiaries		-	-	258	-
Net cash inflow from investing activities		16,628	7,926	23,280	13,259
Cash flows from financing activities					
Repayment of lease liabilities		-	(1,019)	-	(1,019)
Net cash used in financing activities		-	(1,019)	-	(1,019)
Net increase in cash and cash equivalents		15,813	14,294	11,316	3,508
Cash and cash equivalents at the beginning of the financial year		72,344	58,050	40,186	36,678
Cash and cash equivalents at the end of the financial year	13	88,157	72,344	51,502	40,186

The above statements of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

Note 1. Summary of significant accounting policies

This financial report covers Medical Indemnity Protection Society Limited (MIPS) as an individual entity and the group consisting of Medical Indemnity Protection Society Limited and its subsidiaries (Group).

Medical Indemnity Protection Society Limited is a company limited by guarantee and shares, incorporated and domiciled in Australia. Its registered office and principal place of business is; Level 37, 55 Collins Street, Melbourne, VIC 3000.

A description of the nature of the Group's operations and its principal activities is contained in the Directors' report on page 43.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Medical Indemnity Protection Society Limited as an individual entity (Society) and the consolidated entity consisting of Medical Indemnity Protection Society Limited and its subsidiaries (Group).

The financial report of the Society and the Group for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 21 September 2022.

MIPS has the power to amend and reissue the financial report, with the auditor's consent.

(a) Basis of preparation

This General Purpose Financial Report has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, including the application of ASIC Class Order CO 10/654 allowing the disclosure of Parent entity financial statements due to Australian Financial Services Licensing obligations.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

This financial report is prepared on a historical cost basis except for those financial assets and financial liabilities that have been measured at fair value, as described in accounting policies below.

The financial report is presented in Australian dollars, which is the Group's functional and presentational currency.

(b) New Accounting Standards

Australian Accounting Standards issued but not yet effective

The Group has not applied any Australian Accounting Standards that have been issued as at balance date and applicable to the Group but are not yet operative for the year ended 30 June 2022 ("the inoperative standards").

Reference	Title	Application date of standard*	Application date for Group
AASB 17	Insurance Contracts	1 January 2023	1 July 2023

* designates the beginning of the applicable annual reporting period, on or after, unless otherwise stated.

Presentation and disclosure

The standard introduces significant changes to the presentation and disclosure of insurance line items in the financial statements, introducing new line items on the balance sheet and statement of comprehensive income and increased disclosure requirements compared with existing reporting requirements.

Existing insurance and reinsurance contract line items on the balance sheet (including trade debtors arising from general insurance contracts, unearned premium, deferred insurance costs, gross outstanding claims and reinsurance and other recoveries on outstanding claims) will be replaced with insurance contract assets and liabilities, and reinsurance contract assets and liabilities. Insurance contract liabilities under AASB 17 will include all cash flows that directly relate to the fulfillment of insurance contracts (direct and inward reinsurance).

Transition

AASB 17 will be applied retrospectively to all of the Group's insurance contracts on transition except to the extent that it is impracticable to do so.

The Society expects to apply the Premium Allocation Approach (PAA), at the time of recognition.

Key accounting decisions regarding measurement and disaggregation are still to be finalised and management are working with the Board to decide policy. Uncertainty still remains regarding regulatory and taxation framework. These are being worked through at an industry level.

Financial impact

The requirements of AASB 17 are complex and the expectations noted above are subject to change as the implementation progresses and as the Group continues to analyse the impacts of the standard and recent amendments. Market developments also continue to be monitored in order to assess the impact of evolving interpretations and other changes. The financial impact of adopting AASB 17 cannot be reasonably estimated at the date of this report. The Group intends to disclose the potential financial impact of adopting AASB 17 once it is practical to provide a reliable estimate.

Implementation progress

The Group is working on key accounting policies and an impact assessment which identified the key areas of expected impact.

Complementing these changes, the Society's transition approach also includes the development and delivery of training to the finance team and relevant stakeholders on the new requirements and the practical application.

All Australian Accounting Standards other than the inoperative standards, that have been issued as at balance date but are not yet operative for the year ended 30 June 2022, are considered to be not applicable to the Group.

The Group only intends to adopt the inoperative standards at the date at which their adoption becomes mandatory.

(c) Principles of consolidation

Subsidiaries

The Group consolidated financial statements comprise the financial statements of the Society and its subsidiaries as at 30 June each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Society, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and will continue to be consolidated until the date that such control ceases.

(d) Revenue from contracts with customers

Fee revenue

The Society obtains revenue through the annual fees paid by its members. Fee income is recognised evenly over the period of the membership, being twelve months from 1 July each year. All annual fees expire on 30 June each year.

Fees accepted prior to 1 July which relate to future membership fee periods are recorded as current liabilities – refer Note 25.

Fees accepted but not yet paid are recognised as receivables from members – refer Note 14.

Determining the Transaction Price

Membership fees are determined on the basis of advice provided by external actuaries. This advice recommends a level of fee that covers operating costs, cost of the medical indemnity master insurance policy, a profit margin, net of investment and sundry income.

Performance Obligations

In return for the payment of an annual fee, members are able to access a range of services over the specified period of membership. As these performance obligations are part of a membership contract that has an expected duration of one year or less, no further details are required to be disclosed as per para 121 of AASB 15.

Revenue from government schemes

The Group receives the following revenue from Federal Government Services Australia:

- Run-Off Cover Scheme (ROCS) administration fee – refer Note 1(k)
- ROCS claims handling fee – refer Note 1(k)
- Premium Support Scheme (PSS) administration levy – refer Note 1(e)

ROCS administration fee

- MIPS has a contract with Services Australia to administer the scheme on behalf of ROCS medical indemnity practitioners. This includes the processing of new members and settling claims for ROCS members
- during the financial year MIPS receives an administration fee based on the number of MIPS medical indemnity practitioners.

ROCS claims handling fee

- MIPSi administers / settles ROCS claims as part of the normal claims process
- ROCS claims recoveries applications (100% of the claim) are submitted to Services Australia by MIPS Insurance Pty Ltd (MIPSi)
- when claims are settled MIPSi receives a claims handling fee based on 5% of the value of the claim recovered from Services Australia

PSS administration levy

- MIPSi has a contract with Services Australia to administer the scheme on behalf of medical indemnity practitioners who are eligible for a subsidy under the scheme
- the contract requires the processing of applications for PSS subsidies and the annual reconciliation based on actual income.
- during the financial year MIPSi receives an administration fee based on the pro rata number of PSS applicants relative to the industry pool.

Service Fees

In accordance with Service Level Agreements, the Society charges service fees to its wholly-owned subsidiaries MIPSi and Queensland Doctors' Mutual Pty Ltd. Refer Note 30.

(e) Premium revenue

MIPS membership provides medical indemnity insurance cover under the MIPS Members' Medical Indemnity Insurance Policy. This master policy is underwritten by a subsidiary. When the contract of insurance for the subsequent year has been approved by the Board before 30 June the Society recognises an intercompany liability and a deferred master policy expense. Similarly, MIPSi recognises an intercompany receivable and a liability for the unearned premium.

Premium income is recognised evenly over the period of the insurance policy. The policy year is twelve months from 1 July with an expiry date of 30 June each year.

Premium revenue comprises only the premium charged to provide indemnity including the amounts in the premium collected to allow the Group to meet its obligation in relation to payments due to the Commonwealth Government of Australia for the funding of the ROCS. Premium revenue excludes stamp duty, GST and other amounts collected on behalf of third parties.

Premium Support Scheme (PSS)

The *Medical Indemnity Act 2002* establishes a PSS which in general terms provides a subsidy to medical practitioners whose total indemnity costs exceed a set proportion of their income (as defined in the legislation).

MIPSi is responsible for administering the PSS for MIPS members. The Society on behalf of MIPSi obtains details of estimated income to determine the subsidy, if any, for each eligible member to be collected from Medicare Australia. In subsequent years, the Society obtains actual income details from participating medical practitioner members and either collects monies from the members for any amounts required to be reimbursed to Medicare Australia or seeks additional subsidies from Medicare Australia to be passed through to the eligible member.

As the Society is responsible for credit risk and is impacted by the timing of cash flows, amounts due to and from Medicare Australia and policyholders are recognised in the Statement of Financial Position.

(f) Outwards reinsurance

Amounts paid to reinsurers under reinsurance contracts held by the Group are recorded as an outward reinsurance expense and are recognised in the Statement of Comprehensive Income from the attachment date over the period of indemnity of the reinsurance contract in accordance with the expected pattern of the incidence of risk ceded.

When reinsurance contracts are fully executed before 30 June, MIPSi fully accrues the reinsurance expense with a corresponding deferred reinsurance expense asset. The corresponding Quota Share commission income, if applicable, is also recognised as unearned income.

(g) Unexpired risk liability

At each reporting date the Group assesses whether unearned premiums are sufficient to cover all expected future cash flows relating to claims against current insurance contracts. This assessment is referred to as the liability adequacy test and is performed for the Group as a whole as all insurance contracts are subject to broadly similar risks.

If the present value of the expected future cash flows relating to future claims plus the additional risk margin to reflect the inherent uncertainty in the central estimate exceeds the unearned premiums less related intangible assets and related deferred acquisition costs, then unearned premiums are deemed to be deficient.

Any such deficiency is recognised immediately and entirely in the Statement of Comprehensive Income both gross and net of reinsurance. The deficiency is recognised first by writing down any related intangible assets and then related deferred acquisition costs, with any excess being recorded in the Statement of Financial Position as an unexpired risk liability. A deficiency was identified in 2020 and it was reflected in the Statement of Financial Position in 2020. As there was no deficiency in 2021, unexpired risk liability has been reduced to nil for the year and the amount has reversed through the statement of comprehensive income. A deficiency has been identified during the year ending 30 Jun 2022 and is reflected in the Statement of Financial Position for the year.

(h) Outstanding claims liability

The liability for outstanding claims is recognised on a claims made basis and is measured as the central estimate of the present value of expected future payments against claims incurred at the reporting date under general insurance contracts issued by MIPSi, with an additional prudential (or risk) margin to allow for the inherent uncertainty in the central estimate.

The expected future payments include those in relation to claims reported but not yet paid and anticipated claims handling costs.

Claims handling costs include costs that can be directly associated with individual claims, such as legal and professional fees, and costs that can only be indirectly associated with individual claims, such as claims administration costs.

Outstanding claims are determined taking into account an actuarial valuation. A summary of the actuarial methodology and key assumptions is disclosed in Note 3.

Expected future payments are discounted to present value using a risk free rate.

Prudential margin

MIPSi includes a prudential margin in its liability for outstanding claims. Under prudential standards issued by the Australian Prudential Regulation Authority (APRA), a licensed insurer must include a prudential margin in its estimate of outstanding claims liabilities for prudential reporting so that the probability of the estimate for outstanding claims being sufficient to meet all claims is a minimum of 75%.

MIPSi has elected to increase the probability of sufficiency beyond the 75% minimum to 92.5%. Without a prudential margin, the liability for outstanding claims represents the central estimate for which all claims will be settled. That is, there is a 50% probability of it being either too high or too low.

The Group has elected to adopt a prudential margin that is different for accounting and prudential reporting purposes. Details of the levels adopted are disclosed in Note 24. The prudential margin is reassessed each year taking into account actuarial valuations as part of the process of determining the liability for outstanding claims of MIPSi. A summary of the level of sufficiency achieved by the prudential margin is disclosed in Note 3.

The prudential margin on Net Claims Incurred (Note 8) has been split between gross and net.

(i) Provisions and employment benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under a reinsurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Provision for discretionary non-medical indemnity assistance and indemnity obligations

The overall provision includes an estimate for the cost of the discretionary non-medical indemnity assistance offered through MIPS Assist (called MIPS Protections prior to 1 July 2021) under MIPS Australian Financial Services Licence (AFSL). This member benefit applies to matters that arise from a member's practice or their studies or profession.

The provision previously also included a provision for indemnity obligations that arose from the occurrence based discretionary indemnity provided by MIPS to members prior to 30 June 2003. In general terms, following the enactment of Medical Indemnity legislation, MIPS is not able to indemnify members other than through insurance in relation to medical indemnity incidents occurring after 30 June 2003. The discretionary indemnity provided by MIPS to its members covers incidents reported under extended reporting benefit and death, disability or retirement arrangements.

The provision for discretionary indemnity obligations, was previously based on the final (June 2016) actuarial valuation and included current case estimates plus an allowance for incidents that have occurred but for which a request for indemnity has yet to be received (IBNR). The remaining IBNR was fully amortised by 30 June 2019.

Further details on the assumptions supporting the estimate are disclosed in Note 2.

Provisions for employee leave benefits

(i) Wages and salaries, annual leave and personal leave

Liabilities for wages and salaries, annual leave and accumulated personal leave expected to be settled within 12 months of the reporting date are recognised in Provisions in Note 26, in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating personal leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yield at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

(j) Reinsurance and other recoveries receivable

The Group has insurance risk in the normal course of business of its companies. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. Any impairment loss is recorded in the Statement of Comprehensive Income.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Reinsurance and other recoveries receivable on paid claims, reported claims not yet paid, indemnity paid and the provision for indemnity obligations are recognised as revenue. Recoveries on reported claims not yet paid are measured as the present value of expected future receipts, calculated on the same basis as the liability for outstanding claims. Recoveries on the provision for indemnity obligations are not discounted.

High Cost Claims Scheme

Other recoveries include amounts due from the Commonwealth Government's High Cost Claims Scheme established by the Medical Indemnity Act 2002. Under the scheme, the Commonwealth Government makes financial contributions of 50% of the amount in excess of the HCCS threshold, currently \$500,000, towards claims of the Group for each insurance or indemnification claim notified after 1 July 2018. For matters reported before 1 July 2018, the HCCS threshold was \$300,000.

Recoveries under the HCCS on outstanding claims are measured at the net present value of the expected future receipts, calculated on the same basis as the liability for outstanding claims.

(k) Run-Off Cover Scheme

The *Medical Indemnity Act 2002* established the Run-Off Cover Scheme (ROCS) as part of a framework for providing medical indemnity insurance for medical practitioners who have ceased practice.

Under the framework:

- if a practitioner has ceased practice for three years or has reached age 65 or in other specified situations such as maternity, the practitioner's most recent medical indemnity insurer must offer a ROCS policy. Any accepted claims from the practitioner under a ROCS policy will be reimbursed by the Federal Government Services Australia from the ROCS funds
- under the terms of the contract with the Government for the first three years following cessation of practice and whilst the practitioner is under age 65, the practitioner's most recent medical indemnity insurer must make an offer to provide insurance coverage, at a nominal premium for those members with 10 or more years of qualifying membership
- a levy is imposed on medical indemnity insurers to cover the cost of ROCS, with the rate currently set at 5% of premium received. This levy is incorporated into the premiums charged by insurers
- medical indemnity insurers receive a fee for handling claims on behalf of ROCS and for associated policy administration under contracts with the Government.

Provision for cessation of practice claims

The Group recognises a provision for cessation of practice claims (under both ROCS and insurance) in relation to expected future payments to practitioners who have ceased practice that have not accepted a policy at balance date, based on actuarial advice. This provision is discounted to a present value at balance date and includes an allowance for the cost of handling these claims.

Retirement claim recoveries

The Group recognises recoveries in relation to expected future recoveries associated with the provision for cessation of practice claims, based on actuarial advice. Such recoveries arise under ROCS (for eligible participants only), the High Cost Claims Scheme and reinsurance contracts in place prior to balance date. The recoveries are measured as the present value of the expected future receipts, calculated on the same basis as the provision for retirement claims. Recoveries are also recognised in respect of claims paid but not recovered.

ROCS levy

A liability for the ROCS funding levy is recognised on business written to balance date. Levies payable are expensed on the same basis as the recognition of premium revenue, with the portion relating to unearned premium being recorded as a prepayment.

(l) Deferred acquisition costs

The acquisition costs incurred in obtaining general insurance contracts are deferred and recognised as assets where they can be reliably measured and where it is probable that they will give rise to premium revenue that will be recognised in the Statement of Comprehensive Income in subsequent reporting periods.

The Group has not deferred any acquisition costs at year end or the comparative year end.

(m) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are recognised for all taxable temporary differences.

Deferred income tax assets carry-forward unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

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

- when 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
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, 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 and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Assets backing general insurance liabilities

The investments portfolio of MIPSi is actively managed as part of the Group's investment strategy to ensure that investments mature in accordance with the expected pattern of future cash flows arising from general insurance liabilities.

The Group has determined that all investments of MIPSi are held to back general insurance liabilities and their accounting treatment is described below. As these assets are managed under the Risk Management Statement (RMS) of MIPSi on a fair value basis and are reported to the Board of MIPSi on this basis, they have been valued at fair value through profit or loss.

(o) Investments

Investments are within the scope of AASB 9 Financial Instruments: Recognition and Measurement and are categorised as investments at "fair value through profit or loss". The classification depends on the purpose for which the investments were acquired.

When investments are recognised initially, they are measured at fair value, plus in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and Derecognition

All 'regular way' purchases and sale of investments are recognised on the trade date (i.e. the date that the Group commits to purchase the asset). Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Investments are derecognised when the right to receive cash flows from the investments have expired or been transferred.

Subsequent measurement

Investments – fair value through profit or loss

Investments classified as held for trading are included in the category of 'Investments at fair value through profit or loss'. Investments are classified as held for trading if they are acquired for the purpose of selling in the near term with intention of making a profit. Investments designated as 'fair value through profit or loss' are re-measured to fair value at balance date. Investments backing general insurance liabilities are designated 'fair value through profit or loss'. Gains or losses on financial assets held for trading are recognised in profit or loss.

All investments are initially recognised at fair value, which is the cost of acquisition. The Group capitalises all acquisition costs. Otherwise transaction costs are capitalised on initial recognition.

Details of fair value for the different types of investments are listed below:

- cash assets are carried at face value of the amounts deposited or drawn. The carrying amount of cash assets approximates their fair value
- shares, fixed interest securities, options and units in trusts listed on the stock exchange are measured at the quoted bid price of the instrument at the Statement of Financial Position date.
- unlisted trusts are measured using the current unit prices as advised by the responsible entity, trustee or equivalent of the investment management scheme.

Dividends and distributions are recognised as revenue when the right to receive payment is established. Interest revenue is recognised on an accruals basis, using the effective interest rate method.

During the year, MIPS received final dividend of \$5,322,940 (2021: Nil) from its subsidiaries on voluntary deregistration.

The following information is provided to assist users in comparing the Group's financial statements with entities that have adopted AASB 9:

Impact on financial assets

The Group's investments are currently designated as fair value through profit or loss on initial recognition and are subsequently remeasured to fair value at each reporting date, reflecting the Group's business model for managing and evaluating the investment portfolio.

Financial assets within the scope of AASB 1023, such as premiums receivable and reinsurance and other recoveries on paid claims, which together form the majority of the carrying value of the Group's trade and other receivables, as well as reinsurance recoveries on outstanding claims are outside the scope of AASB 9. Trade and other receivables also include other financial assets with a relatively small carrying value which are measured at amortised cost, the majority of which are receivable within 12 months. The application of AASB 9 did not materially impact these balances.

Impact on financial liabilities

Trade and other payables also include other financial liabilities measured at amortised cost arising from the Group's activities, the accounting for which is materially unchanged by AASB 9.

(p) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation for plant and equipment is calculated using the reducing balance method to allocate their cost, while depreciation for leasehold improvements is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives of five years.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. The Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the Statement of Comprehensive Income.

(q) Impairment of non-financial assets

The Group conducts a bi-annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

(r) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right of use assets and lease liability for interest and lease expenses paid during the year. Refer to Note 20.

(s) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(t) Receivables

A receivable is recognised if an amount of consideration that is unconditional is due (i.e., only the passage of time is required before payment of the consideration is due).

An allowance for expected credit loss is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Any change is recognised in the Statement of Comprehensive Income.

The assessment of the correlation between historical observed default rates, forecast economic conditions and Expected Credit Losses (ECLs) is an insignificant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of actual default in the future.

(u) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents are as defined above.

Note 2. Critical accounting judgements, estimates and assumptions

(a) Critical estimates and assumptions

The Group makes estimates and assumptions in respect of certain key assets and liabilities. Estimates and judgements are continuously 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 where critical estimates are applied are described below.

(i) Impact of COVID-19

The COVID-19 pandemic has increased the estimation uncertainty in preparing these financial statements. Management has:

- re-evaluated whether there were any additional areas of judgement or estimation uncertainty
- updated the Group's economic outlook – principally for the purposes of inputs into the valuation of the Outstanding Claims Liabilities, the fair value disclosures of financial assets and liabilities
- assessed the carrying values of the Group's assets and liabilities and determined the impact thereon as a result of market inputs and variables impacted by COVID-19
- considered the impact of COVID-19 on the Group's financial statement disclosures as outlined below.

Consideration of the statements of financial position and further disclosures

Key items in the statements of financial position and related disclosures that have been impacted by COVID-19 were as follows:

Investments

The Group reviewed the appropriateness of its investment valuations. The determination of the investments' carrying value included a consideration of the impact of COVID-19. Given the Group's investments are measured at fair value through profit and loss (FVTPL) there has been no change in the basis of valuation as a consequence of COVID-19.

Claims Liabilities

The Group's actuary has again reviewed the likely impact of COVID-19 on the claim valuation at 30 June 2022. The impact of changes in the valuation inputs has also been considered in terms of the disclosures around changes in actuarial assumptions and the impact this has had on the Group's insurance liabilities. Refer to Note 3 for more information.

Reinsurance and other receivables

Management and the Group's actuary have also reviewed the recoverability of reinsurance and other receivables at 30 June 2022. The impact on recoverability has been considered in terms of the disclosures in the financial statements.

Capital adequacy and going concern

In assessing the capital adequacy and going concern of the Group the impacts of the macro-economic conditions arising from COVID-19 that existed at the reporting date, have been considered in the assessment that the Group will be operational and able to meet its obligations when they fall due in the foreseeable future.

Apart from COVID-19 the other key areas where critical estimates are applied are described below.

(ii) The ultimate liability arising from claims made under insurance contracts

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the Statement of Financial Position date.

The estimated cost of claims includes direct expenses to be incurred in settling claims gross of any recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, particularly in the early stages after initial notification, it is likely that the final outcome will prove to be different from the original liability established.

Medical indemnity liability class of business will typically display greater variations between initial estimates and final outcomes than other classes of insurance because there is a degree of difficulty in estimating claim liabilities. In calculating the estimated cost of unpaid claims, the Group relies on a variety of estimation techniques, generally based on statistical analyses and review of historical experience, which assumes that the development pattern of current claims will be consistent with past experience.

Allowance is made for changes or uncertainties which may create distortions in the underlying statistics, or which might cause the value of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- changes in the Group processes which might accelerate or slow down the development and / or notification of paid or incurred claims, compared with statistics from previous periods
- changes in legal environment
- effects of inflation
- impact of large losses
- uncertainty caused by the COVID-19 pandemic
- movement in industry benchmarks
- medical and technological developments.

Further information on the methods used in deriving the outstanding claims liability at year end are detailed in Note 3.

(iii) The ultimate obligation arising from claims made under discretionary cover

In accordance with accounting policy 1 (i), MIPS recognises a liability for the estimated cost of settling discretionary medical indemnity obligations.

Given the length of time the indemnity arrangements have been in run off there is no longer the volatility discussed above in relation to insurance contracts. The liability is based on management case estimates.

Valuation approach

The provision for reported outstanding claims is based on actual case estimates and estimated recoveries.

(iv) The determination of retirement claims liabilities

These claims will be in relation to former MIPS members who had previously retired from medical practice over the age of 65, died or were permanently disabled and unable to work. ROCS indemnity will also cover qualifying claims against doctors on maternity leave or who are under age 65 and have ceased Australian private medical practice for more than three years.

(v) Assets arising out of reinsurance contracts and other recoveries

Assets arising out of reinsurance contracts and other recoveries (which includes HCCS and ROCS recoveries) are also calculated using the above methods. In addition, the recoverability of these assets is assessed on a periodic basis to ensure that the balance is reflective of the amounts that will be ultimately received, taking into consideration factors such as counter party and credit risks. Impairment is recognised where there is objective evidence that the Group may not receive amounts due to it and these amounts can be reliably measured.

(b) Critical Judgements

Apart from COVID-19 considerations and the actuarial assumptions and methods in Note 3, it has been determined that no critical accounting judgements have been made in the year.

Note 3. Actuarial assumptions and methods

The Group provides medical indemnity insurance, which is long tail in nature and is exposed to a small number of large value claims each year. As a result, the claims experience is liable to fluctuations from year to the next and the estimates of the outstanding claims liabilities are uncertain. The process for determining the value of outstanding claims liability is described below. The gross outstanding claims liability is estimated by considering a range of methods for damages and representation medical claims separately. The following methods are considered:

- a frequency and a priori severity method which combines a projected ultimate number of claims with a priori average claim size assumption based on an analysis of both average claims by report year and average claims by settlement year
- an aggregate paid development method which projects how the total value of paid claims develops over time
- a case adjustment method that adjusts individual case estimates based on detailed analyses of the factors affecting the individual reserves as well as making an allowance for future claims
- a cost per settled claim method which projects the number of claims that will settle in each year in the future and an average size which varies based on how long they take to settle
- the paid Bornhuetter-Ferguson method, which combines the results from the frequency and a priori severity method and the aggregate paid development method by applying a credibility weighting to the aggregate paid development, which is in line with the expected development of paid claims.

In order to project the ultimate payments that will be made, claims inflation is incorporated to allow for both general economic inflation as well as any superimposed inflation detected in the modelling of payment experience. The addition of superimposed inflation reflects the fact that over time claims inflation has exceeded both price inflation and wage inflation. Superimposed inflation may arise from non-economic factors such as developments of legal precedent.

The recoveries from HCCS and any reinsurance that has been secured are projected using a weighting of two approaches. The first approach is to compare individual claims with the appropriate threshold levels. The second approach is to apply aggregate assumptions of the percentages recoverable to the projected gross claim payments.

Unallocated claims handling expenses are included by applying a percentage assumption to the projected claims costs. Projected payments are discounted for the time value of money. Inherent uncertainties in this class of business are considered when setting the appropriate risk margin.

The methodologies selected to set the ultimate claims on each report year as at 30 June 2022 are broadly consistent with the approach as at 30 June 2021. A paid Bornhuetter-Ferguson method on the most recent five report years (based on an updated payment pattern), aggregate payment development method for the financial year 2016/17 report year, and the case adjustment method on all prior report years.

Actuarial assumptions

The impact of the COVID-19 pandemic on the Group's exposure to claims continues to be very uncertain. In particular, the potential for delays in claims being reported, settled or paid due to lockdowns, the potential impacts of delays in elective surgeries and the potential effects of lockdowns on claims outcomes, times to settlement and associated expenses all add to the uncertainty.

There also remains uncertainty regarding the liabilities resulting from the administration of the COVID-19 vaccinations. On 2 July 2021, the Australian Government announced that it was establishing a no fault COVID-19 Vaccine Claim Scheme to provide further assurance and confidence to patients and health professionals in the COVID-19 vaccine rollout. In the event that someone suffers a significant adverse reaction, causing injury and economic loss because of vaccination, the Scheme will help guide potential claimants through a no-fault claims process scheme.

There continues to be an overall economic uncertainty and the effect of lockdowns that may impact claims outcomes, times to settlement and associated expenses for outstanding claims across all report years. Rising interest rates and inflation resulted to changes to certain assumptions underlying claims liability and premium liability calculations.

The expense rate increase by 0.5% and the combined inflation factors increased from 4.75% to 5.9% due to recent inflationary trends. At the same time rising interest rates caused the discount rate to rise from 0.6% in 2020/21 to 3.2% for 2021/22.

Based upon claim descriptions, as at 30 June 2022 minimal claims have been identified that appear to be related to COVID-19. The

following assumptions have been made in determining the outstanding claims liabilities:

Assumptions	2022	2021
Average net weighted term to settlement from reporting date	3.41 years	3.19 years
Expense rate	8.50%	8.00%
Discount rate	3.20%	0.60%
Inflation rate	3.40%	2.50%
Superimposed inflation rate	2.50%	2.25%
Level of sufficiency achieved by prudential margin	92.5%	92.5%

Definition of terms:

- *Average net weighted term to settlement:* The average net weighted term to settlement is based on historic settlement patterns
- *Expense rate:* Claims handling expenses rate is calculated by reference to past claims handling costs, expressed as a percentage of gross claims payments
- *Discount rate:* Discount rates derived from market yields on Commonwealth Government securities as at the balance date with a term to redemption that matches as closely as possible to the term of the Group's liabilities
- *Inflation:* Inflation assumptions are set by reference to current economic indicators and are consistent with assumptions that were adopted in previous years
- *Superimposed inflation:* Superimposed inflation occurs due to non-economic effects such as court settlement amounts increasing at a faster rate than wages or CPI inflation. An allowance for superimposed inflation was made, after considering both the superimposed inflation present in the portfolio and industry superimposed inflation trends.

Sensitivity analysis – Insurance contracts

(i) Summary

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 the Group. The tables below describe how a change in each assumption will affect the insurance liabilities and show an analysis of the sensitivity of the profit / (loss) and equity to changes in the two key assumptions both gross and net of reinsurance.

Variable	Impact of movement in variable
Average net weighted term to settlement	A decrease in the average term to settlement would lead to more claims being paid sooner than anticipated. As the annual rate of claims inflation is greater than the rate of discount applied, an increase in the average term to settlement would increase the claims expense.
Expense rate	An estimate for the internal costs of handling claims is included in the outstanding claims liability. An increase or decrease in the expense rate assumption would have a corresponding impact on the claims expense.
Discount rate	The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. The methodology to be used for the valuation is prescribed by the Australian Prudential Regulation Authority (APRA) to a rate that should equal the yield on Commonwealth bonds with a term to redemption that matches as closely as possible the term of claims liabilities. As the discount rate relates to the yield on Government bonds which form a large part of the MIPSi investment portfolio backing the insurance liabilities, any movement in the yield which has the effect of increasing or decreasing the liabilities should have a matching increase or decrease in the value of the assets.
Inflation and superimposed inflation rates	Expected future payments are inflated to take account of inflationary increases including an amount for superimposed non-economic inflationary factors. An increase or decrease in the assumed levels of either economic or superimposed inflation would have a corresponding impact on claims expense, although the presence of the HCCS and the reinsurance programme will reduce the impact.

ii) Impact of changes in key variables

Variable	Movement in variable	Impact on Group equity/profit before tax \$'000	Impact on Group equity/profit after tax \$'000
Inflation and superimposed inflation	+2.79%	(8,402)	(5,882)
	- 2.78%	8,194	5,736
Claims handling cost	+ 2.12%	(4,650)	(3,255)
	- 2.12%	4,650	3,255
Discount rate	+ 2.60%	7,004	4,903
	- 2.60%	(6,337)	(4,436)
Average weighted term to settlement	+ 1 year	(2,098)	(1,468)
	- 1 year	2,036	1,427

Note 4. Financial risk management objectives and policies

The financial condition and operation of the Group are affected by a number of key risks including insurance risk, interest rate risk, credit risk, liquidity risk, market risk and COVID-19 operating risk.

In accordance with Prudential Standard GPS 110 Capital Adequacy issued by APRA, the Board and senior management have developed and implemented an Internal Capital Adequacy Assessment Process (ICAAP). The statement and objectives of the ICAAP are documented in the ICAAP Summary Statement which has been provided to APRA.

The ICAAP Summary Statement identifies and documents the policies, procedures, systems and controls in place to manage associated capital risks, including setting of capital targets that are consistent with MIPSi's risk profile, risk appetite and relevant regulatory requirements.

In accordance with Prudential Standards CPS 220 Risk Management and GPS 230 Reinsurance Management issued by APRA, the Board and senior management have developed, implemented and maintain a sound and prudent Risk Management Strategy (RMS) and Reinsurance Management Strategy (REMS).

The RMS and REMS identify MIPSi'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 MIPSi. Annually the Board of MIPSi certifies to APRA that adequate strategies have been put in place to monitor those risks, that MIPSi has systems in place to ensure compliance with legislative and prudential requirements and that the Board of MIPSi has satisfied itself as to the compliance with the RMS and REMS. The RMS and REMS have been approved by the Board and provided to APRA.

The risk management framework that supports MIPSi's RMS and REMS is used by the Group to manage risks outside the insurance operations. This includes development of an investment strategy that includes funds held by non-insurance entities.

(a) Insurance risk

MIPSI has an objective to control insurance risks thus reducing the volatility of financial results. In addition to the inherent uncertainty of insurance risk, which can lead to significant variability in the loss experience, financial results from insurance business are affected by market factors, particularly competition and movements in asset values. Short term variability is, to some extent, a feature of business. Key aspects of the processes established in the RMS to mitigate insurance risk include:

- the maintenance and use of management information systems
- actuarial models, using information from the management information system, are used to calculate premium and monitor claims patterns. Past experience and statistical methods are used as part of the process
- documented procedures are followed for underwriting and accepting insurance risks
- reinsurance is used to limit the Group's exposure to large single claims and aggregation of claims. The Group used both Excess of Loss and Quota Share reinsurance for the reporting period. When selecting a reinsurer, the Group only considers those companies that provide high security. In order to assess this, rating information from the public domain and information gathered through internal investigation is used
- in order to limit concentration of credit risk, in purchasing reinsurance the Group has regard to existing reinsurance assets and seeks to limit excess exposure to any single reinsurer or grouping of related reinsurers
- the Group does not undertake any form of alternate risk transfer
- the mix of assets in which the Group invests is driven by the nature and term of insurance liabilities. The management of assets and liabilities is closely monitored to attempt to match maturity dates of assets with the expected pattern of claim payments
- business is limited to only one class of insurance.

Terms and conditions of insurance business

The terms and conditions attaching to insurance contracts affect the level of insurance risk accepted by the Group. All insurance contracts written are entered into on a standard form basis. The Group writes insurance contracts only on a claims-made basis, i.e. liabilities may arise in respect of claims reported during the term of the insurance contract, however, where retroactive cover is provided the event that gave rise to the claim could have occurred in a previous period.

There are no other special terms and conditions in any of the contracts that have a material impact on the financial statements.

Concentration of insurance risk

Apart from operating as a monoline insurer, the Group's exposure to concentration of insurance risks is minimised as the Group is not affected by any natural disasters and mitigates its risk through comprehensive reinsurance programmes.

The Group's exposure to concentration of monoline insurance risk is mitigated by providing insurance for diversified membership categories in all Australian States and Territories. To manage the risks associated with various membership categories, a risk based pricing model is adopted.

Development and sensitivities of claims

There is a possibility that changes may occur in the estimate of the Group's obligations at the end of a contract period. The tables in Note 24 disclose the estimates of total claims outstanding for each underwriting year at successive year ends. Note 3 identifies the sensitivities associated with the determination of the liability for outstanding claims.

Reinsurance counterparty risk

When there is reliance on a few reinsurers, there is a potential credit risk. As far as appropriate and in accordance with the RMS, the Group will seek to diversify the reinsurance security it sources. This objective is tempered by the security constraint (which is absolute in relation to counter-party risk ratings) and the relative reinsurance capacity shortage in this segment particularly in relation to some types of reinsurance.

Such a decision also needs to recognise the need of reinsurers for minimum underwriting lines and the requirement for preferential access to participation in the Excess of Loss Programme for desirable reinsurers willing to participate in the Quota Share Reinsurance Programme.

The administration costs that must be passed on to the Group if multiple reinsurers with small lines are involved in the programme must also be considered. Financially strong, reputable reinsurers who have significant involvement in a programme have the resources to add value to the operations of the reinsured.

As opportunities arise, the Group will seek to diversify security while respecting the long-term support offered by those well-known and established reinsurers with whom relationships already exist. Long-term significant relationships are important in order to weather the regular cycles of a hardening reinsurance market and if unexpected adverse experience occurs in an underwriting year.

In addition, due to the nature of insurance offered by the Group, eventual realisation of recoveries from reinsurers is likely to be over an extended period of time, during which the credit quality of the reinsurer may decline.

As noted above in (a), the Group reassesses the security of reinsurers each balance date based on information in the public domain and gathered through internal investigation and advice from its reinsurance broker.

(b) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss.

With respect to credit risk arising from the financial assets and liabilities of the Group, the Group's exposure to credit risk arises from potential default of a counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

The Group holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be impaired except for the terms having been renegotiated.

Credit risk is not considered to be significant to the Group except in relation to investments in debt securities.

With respect to all other financial assets, concentration of credit risk is managed by counterparty, and by industry sector.

Counterparty risk is not considered to be significant for cash as the total cash balance is held by counter parties with an A- to AAA rating.

The split of investment by class (bank term deposits, bank bills, equity and fixed interest securities) and maturity profile is shown in Note 16. An industry sector analysis of the investments in financial assets is as follows:

Value of investments by sector

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Sector				
Energy	-	1,438	-	1,438
Materials	-	15,358	-	15,358
Industrials	-	5,841	-	5,841
Consumer Staples	-	5,817	-	5,817
Health Care	-	9,844	-	9,844
Information Technology	-	544	-	544
Government	76,302	100,397	-	-
Financials	147,405	244,923	-	110,194
Telecommunications	-	4,119	-	4,119
Other	-	1,710	-	1,710
Trusts - Unlisted	127,449	-	127,499	-
Total Investments	<u>351,156</u>	<u>389,991</u>	<u>127,499</u>	<u>154,865</u>

Credit quality per class of financial assets

The credit quality of financial assets is managed by the Group using Standard and Poor's rating categories, in accordance with the investment mandate of the Group. The Group's exposure in each grade is monitored on a monthly basis. This review process allows the Group to assess the potential loss as a result of risks and take corrective action.

The table below shows the credit quality by class of asset for debt instruments for the Group.

2022 Group	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	BB+ to CC \$'000	Other \$'000	Total \$'000
Floating rate notes	8,460	13,289	118,330	7,326	-	147,405
Government bonds	76,302	-	-	-	-	76,302
Trusts - Unlisted	-	-	-	-	127,449	127,449
Total debt instrument investments	84,762	13,289	118,330	7,326	127,449	351,156

2021 Group	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	BB+ to CC \$'000	Other \$'000	Total \$'000
Bank term deposits	10,360	785	-	-	-	11,145
Floating rate notes	3,120	53,992	156,595	-	-	213,707
Government bonds	5,537	94,860	-	-	-	100,397
Total debt instrument investments	19,017	149,637	156,595	-	-	325,249

The table below shows the credit quality by class of asset for debt instruments for the Society.

2022 Society	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	BB+ to CC \$'000	Other \$'000	Total \$'000
Bank term deposits	-	-	-	-	-	-
Floating rate notes	-	-	-	-	-	-
Trusts - Unlisted	-	-	-	-	127,449	127,449
Total debt instrument investments	-	-	-	-	127,449	127,449

2021 Society	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	BB+ to CC \$'000	Other \$'000	Total \$'000
Bank term deposits	4,000	-	-	-	-	4,000
Floating rate notes	3,120	13,476	69,527	-	-	86,123
Total debt instrument investments	7,120	13,476	69,527	-	-	90,123

The table below shows the credit quality by reinsurance and other recoveries receivable for the Group.

2022 Group	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	BB+ to CC \$'000	Other \$'000	Total \$'000
Reinsurer	50,134	30,449	-	-	-	80,583
Government scheme	78,211	-	-	-	-	78,211
Total insurance recoveries	128,345	30,449	-	-	-	158,794

2021 Group	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	BB+ to CC \$'000	Other \$'000	Total \$'000
Reinsurer	37,241	56,117	-	-	-	93,358
Government scheme	75,346	-	-	-	-	75,346
Total insurance recoveries	112,587	56,117	-	-	-	168,704

(c) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay financial liabilities as and when they fall due.

The Group manages liquidity risk primarily through the investment strategy (discussed above) and ongoing monitoring of its capital adequacy multiple for MIPSi. MIPSi's Prescribed Capital Requirement Coverage Ratio (PCR) is calculated every month as well as each quarter as part of routine reporting to APRA. The Prescribed Capital Requirement Coverage Ratio serves as a measure of insurer solvency.

Trade payables and other financial liabilities of the Group and Society (excluding indemnity related provisions held by the Society) generally mature within 12 months of being incurred.

(d) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

In accordance with its investment strategy, the Group invests in a variety of asset classes with designated allocation targets. There are specified allowable ranges within which the investments portfolio may vary from the neutral/target allocation. The investment strategy includes an assessment of the risk profile of the investments in which the Group invests and exposure restrictions based on APRA credit ratings.

There are no off-statement of financial position derivative transactions or open option positions at year end. The Group's financial assets and liabilities are carried at amounts that approximate their fair value.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group has established limits on investments in interest bearing assets, which are monitored on a daily basis. The Group may use derivatives to hedge against unexpected increases in interest rates.

The following table demonstrates the sensitivity of the Group's Statement of Comprehensive Income to a reasonably possible change in interest rates, with all other variables held constant.

The sensitivity of the Statement of Comprehensive Income is the effect of the assumed changes in interest rates on changes in fair value of investments for the year, based on revaluing fixed rate financial assets at 30 June 2022.

The basis points sensitivity is based on the volatility of change in global interest rates over the last 10 years.

Interest rate risk

Interest Rate	Change in basis points Increase / decrease	Group		Society	
		After tax effect on Profit higher / lower \$'000	Equity higher / lower \$'000	After tax effect on Profit higher / lower \$'000	Equity higher / lower \$'000
2022	+150	(2,933)	-	-	-
	-150	2,256	-	-	-
2021	+150	(4,138)	-	-	-
	-150	2,972	-	-	-

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Equity price risk exposure arises from the Group's investment portfolio. The effect on net assets attributable to equity and operating profit before distribution due to reasonably possible changes in market factors, as represented by the equity indices, with all other variables held constant is indicated in the table below .

Accounting Assumptions – Variability of equity price

The sensitivity is based on the volatility of change in the individual composite indices over the last 10 years.

Interest Rate		2022			2021
Change in equity price %	%	After tax effect on Profit higher / lower	After tax effect on equity higher / lower	After tax effect on Profit higher / lower	After tax effect on equity higher / lower
		\$'000	\$'000	\$'000	\$'000
Group	20%	-	-	-	9,064
ASX	(20%)	-	-	-	(9,064)
Society	20%	-	-	-	9,064
ASX	(20%)	-	-	-	(9,064)

(iii) Foreign currency risk

The Group has no foreign currency risk as all agreements and transactions are in Australian dollars.

(e) COVID-19 operating risk

The Group's robust risk management framework continues to be applied across the Group's operations and the Group continues to monitor the impact of COVID-19 on the risk profile.

Although the impact on the Group due to COVID-19 has been slowly reducing, the Group sees the continued need for conscientious management of credit, liquidity and market risks.

The Group continues to monitor the impact of COVID-19 as it unfolds, specifically:

- actively managing investments in line with the long-term investment strategy
- managing the Group's cash flow on a daily basis
- stress testing the portfolio for a range of possible scenarios.

Note 5. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole (refer to Note 16).

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The financial assets and liabilities included in the Statement of Financial Position are carried at their fair value or at amounts that approximate their fair values. Refer to Note 1 for the methods and assumptions adopted in determining fair values for investments.

The Group's approach to measuring fair value of investments is described below:

Short-term money

Cash managed as part of the investment portfolio is categorised as a Level 1 fair value measurement. Term deposits are valued at par; other short-term money (bank bills, certificates of deposit, treasury bills and other short-term instruments) are priced using interest rates and yield curves observable at commonly quoted intervals.

Fixed interest securities and floating rate notes

Fixed interest securities and floating rate notes are valued based on quoted prices sourced from external data providers. The fair value categorisation of these assets is based on the observability of the inputs.

Equity securities - listed entities

Listed equities traded in active markets are valued by reference to quoted bid prices.

Unlisted trusts

These assets are valued using current unit prices as advised by the responsible entity, trustee or equivalent of the investment management scheme. As the valuation techniques require the use of significant unobservable inputs, these assets have been categorised as Level 2 and 3.

Note 6. Revenue

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Membership subscription*	57,384	55,244	57,384	55,244
Provision of run off cover for members	2,592	2,210	2,592	2,210
Fee revenue from members	59,976	57,454	59,976	57,454
Service fees	-	-	4,263	3,412
Universal cover premiums received	-	13	-	-
Recovery of expenses incurred	412	822	402	573
Revenue	60,388	58,289	64,641	61,439

* Includes provision of indemnity cover for members

Note 7. Other operating revenue

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Quota share income	2,340	4,630	-	-
Sundry income	16	46	-	1
Operating income	2,356	4,676	-	1

Note 8. Net claims incurred

All insurance business is underwritten by MIPSi and all net claims incurred information relates to the Group.

	2022			2021		
	Current year \$'000	Prior years* \$'000	Total \$'000	Current year \$'000	Prior years* \$'000	Total \$'000
Gross claims incurred						
Undiscounted	64,397	(6,602)	57,795	46,263	(29,744)	16,519
Discount movement	(6,870)	(8,152)	(15,022)	(910)	436	(474)
Gross claims discounted*	57,527	(14,754)	42,773	45,353	(29,308)	16,045
Prudential margin	19,239	(9,862)	9,377	14,534	(31,258)	(16,724)
Claims expense	76,766	(24,616)	52,150	59,887	(60,566)	(679)
Reinsurance and other recoveries						
Undiscounted	30,096	(7,373)	22,723	24,590	(8,594)	15,996
Discount movement	(3,830)	(5,955)	(9,785)	(586)	166	(420)
Reinsurance recoveries discounted*	26,266	(13,328)	12,938	24,004	(8,428)	15,576
Prudential margin	8,398	(7,341)	1,057	8,804	(19,238)	(10,434)
Reinsurance and other other recoveries	34,664	(20,669)	13,995	32,808	(27,666)	5,142
Net claims incurred	42,102	(3,947)	38,155	27,079	(32,900)	(5,821)

Current year amounts relate to risks borne in the current financial year.

Prior period amounts relate to a reassessment of the risks borne in all previous financial years.

* Prior years (Gross Claims - Discounted and Reinsurance Recoveries - Discounted) These amounts are impacted by both changes in assumptions and other factors (including reassessments of individual case estimates). The significant changes in assumptions are as follows:

Prior years	2022			2021		
	Gross claims \$'000	Recoveries \$'000	Net \$'000	Gross claims \$'000	Recoveries \$'000	Net \$'000
Changes in assumptions						
Claims development	(6,334)	(19,368)	12,996	(28,618)	(8,958)	(19,660)
Discount rate/claims handling expenses	(8,420)	6,040	(14,460)	(690)	530	(1,220)
Total change in assumptions	(14,754)	(13,328)	(1,464)	(29,308)	(8,428)	(20,880)

Note 9. Investment results

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Interest received on bank accounts	212	177	66	68
Interest on investments	5,838	7,387	598	2,068
Dividend received	1,163	2,489	1,163	2,489
Dividend received from subsidiaries	5,328	-	5,323	-
Trust distributions	5,430	-	5,430	-
Total investment revenue	17,971	10,053	12,580	4,625
(Losses) / gains on investments				
Realised (losses) / gains on investments	176	2,914	745	2,766
Unrealised (losses) / gains on investments	(22,242)	11,004	(10,323)	9,497
Total gains / (losses) on investment	(22,066)	13,918	(9,578)	12,263
Expenses on Investment	(742)	(1,099)	(168)	(535)
Investment result	(4,837)	22,872	2,834	16,353

Note 10. Discretionary non-medical indemnity assistance expenses

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Charge / (Release) - discretionary non-medical indemnity assistance and indemnity obligations	1,365	1,723	1,365	1,723
Movement in recoveries - undiscounted	(3)	(9)	(3)	(9)
Discretionary non-medical indemnity assistance charge / (release)	1,362	1,714	1,362	1,714

Note 11. Other operating expenses

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Employee remuneration	11,458	10,367	11,458	10,367
Non-executive directors' remuneration	1,186	1,183	610	624
Employment on-costs	655	538	628	515
Professional services expenses	3,318	2,601	1,582	985
Marketing	1,177	713	1,177	713
Lease and occupancy expense	64	70	64	70
Lease liability interest expense	123	142	123	142
Amorisation of right-for-use (leased) assets	1,053	1,051	1,053	1,051
IT and communication expenses	1,761	1,384	1,761	1,384
Financial Institution charges	363	371	362	370
Travel and accommodation	81	19	63	17
Insurance	352	236	352	236
Depreciation expense	83	79	83	79
Member insurance	1	77	1	77
Risk management workshop expenses	68	46	68	46
Other expenses from ordinary activities	953	808	752	606
Less Reallocation to claims expense	(4,253)	(3,402)	-	-
Other operating expenses	18,443	16,283	20,137	17,282

Note 12. Income tax expense/(benefit)

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Surplus/(deficit) before income tax (expense)/benefit	(23,915)	42,773	(14,546)	1,508
Tax at the statutory tax rate of 30%	(7,175)	12,832	(4,364)	452
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Net mutual (income)/expense	1,610	1,462	1,610	1,462
Lease liability interest expense	31	35	31	35
Amortisation-right-for-use (lease) assets	263	262	263	262
Rent	(299)	(289)	(299)	(289)
	(5,570)	14,302	(2,759)	1,922
Derecognition of income tax benefit	2,772	5	2,759	-
Recognition of prior years tax losses	-	(2,982)	-	(2,982)
Write off of deferred tax asset balance	-	2,921	-	2,921
Tax losses of prior years recouped	-	(1,922)	-	(1,922)
Write off franking credits	-	1,388	-	1,388
Refund for tax loss 20-21 carried back to 19-20	(5)	-	-	-
Income tax expense/(benefit)	(2,803)	13,712	-	1,327

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income tax expense				
Charge for current tax payable	1,544	13,754	-	3,310
Deferred tax movement	(4,347)	4,862	-	2,921
Write-off of deferred tax losses	-	(2,982)	-	(2,982)
Adjustments in respect of prior years	-	(1,922)	-	(1,922)
Tax expenses/(benefit) charged to Statement of Comprehensive Income	(2,803)	13,712	-	1,327

Imputation credits and rebateable dividends have been included in profit before tax.

Note 13. Cash and cash equivalents

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash and cash equivalents	88,157	72,344	51,502	40,186

Cash at bank and trust account earns interest at a floating rate. As at 30 June 2022 the Group average interest rate was 0.97% (2021: 0.24%). Over the full year the Group weighted average interest rate was 0.36% (2021: 0.32%).

Note 14. Contract assets

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Premiums and fees receivable				
Receivable from members*	23,249	23,242	23,249	23,242
Allowance for expected credit losses	(100)	(100)	(100)	(100)
PSS receivable	434	607	434	607
Contract assets	23,583	23,749	23,583	23,749

*Receivables past due but not considered impaired are; Group \$10,824 (2021: \$18,308); Society \$10,824 (2021: \$18,308).

Aged Debtors Summary	31-60 days \$	61-90 days \$	Over 91 days \$	Total \$
2022				
Group	-	393	10,431	10,824
Society	-	393	10,431	10,824
2021				
Group	-	3,404	14,904	18,308
Society	-	3,404	14,904	18,308

Other balances within receivables from members and PSS receivable do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Note 15. Receivables

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Receivable from related entities	-	-	5	25

Note 16. Investments

Group 2022	Quoted prices in active markets (Level 1) \$'000	Significant observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Bank term deposits *	-	-	-	-
Equity securities - listed entities *	-	-	-	-
Floating rate notes *	147,405	-	-	147,405
Fixed interest securities *	76,302	-	-	76,302
Unit trusts - cash and diversified debt *	-	54,220	-	54,220
Unit trusts - australian and global shares *	-	65,008	-	65,008
Unit trusts - real estate and diversified infrastructure *	-	-	8,221	8,221
Total investments	223,707	119,228	8,221	351,156

During the year the Group sold its Level 1 and reinvested in Level 2 and Level 3 securities.

Group 2021	Quoted prices in active markets (Level 1) \$'000	Significant observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Bank term deposits *	11,145	-	-	11,145
Equity securities - listed entities *	64,742	-	-	64,742
Floating rate notes *	213,707	-	-	213,707
Fixed interest securities *	100,397	-	-	100,397
Unit trusts - cash and diversified debt *	-	-	-	-
Unit trusts - australian and global share *	-	-	-	-
Unit trusts - real estate and diversified infrastructure *	-	-	-	-
Total investments	389,991	-	-	389,991

There were no transfers between Level 1 and Level 2 or Level 3 during 2021.

Society 2022	Quoted prices in active markets (Level 1) \$'000	Significant observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Bank term deposits *	-	-	-	-
Equity securities - listed equities *	-	-	-	-
Floating rate notes *	-	-	-	-
Fixed interest securities *	-	-	-	-
Unit trusts - cash and diversified debt *	-	54,220	-	54,220
Unit trusts - australian and global shares *	-	65,008	-	65,008
Unit trusts - real estate and diversified infrastructure *	-	-	8,221	8,221
Total investment	-	119,228	8,221	127,449

During the year the Society sold its Level 1 securities and reinvested in Level 2 and Level 3 securities.

Society 2021	Quoted prices in active markets (Level 1) \$'000	Significant observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Bank term deposits *	4,000	-	-	4,000
Equity securities - listed equities *	64,742	-	-	64,742
Floating rate notes *	86,123	-	-	86,123
Fixed interest securities *	-	-	-	-
Unit trusts - cash and diversified debt *	-	-	-	-
Unit trusts - australian and global shares *	-	-	-	-
Unit trusts - real estate and diversified infrastructure *	-	-	-	-
Total investment	154,865	-	-	154,865

There were no transfers between Level 1 and Level 2 or Level 3 during 2021.

*** Date of Valuation is 30 June for each year**

Movements in Level 3 investments

The following table provides an analysis of investments valued with reference to Level 3 inputs:

Level 3	2022 \$'000	2021 \$'000
At 1 July	-	-
Purchases	7,815	-
Reclassifications from Level 2	-	-
Fair value movement recognised in profit or loss	406	-
At 30 June	8,221	-

Description of significant unobservable inputs to valuation:

Level 3	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Unit trusts - real estate and diversified infrastructure	NAV	Unit Price	5% (2021: Nil) increase (decrease) in the Unit Price would result in an increase (decrease) in fair value by \$411,047 (2021: Nil)

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 June 2022 and 2021 are shown above.

	Group		Society	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current investments	127,449	75,887	127,449	68,742
Non-current investments	223,707	314,104	-	86,123
Total investments	351,156	389,991	127,449	154,865

During the year the Society changed its investment strategy from holding direct equities to a portfolio of unit trust investments. This resulted in movement to the fair value hierarchy allocations. Certain of the units trusts were allocated a Level 3 in the hierarchy in accordance with AASB 13 due to fair value measurement being unobservable.

The weighted average interest rate for interest bearing investments is 2.23% (2021: 2.24%) and the following table summarises the interest rate sensitivity (repricing profile) of the Group's exposure to fixed interest securities based on earlier of contractual maturity or repricing.

	Group		Society	
Maturity	2022	2022	2021	2021
	%		%	
Less than 12 months	-	-	-	-
One to two years	0.91%	20,293	2.23%	16,379
Two to three years	1.37%	23,322	0.97%	24,895
Three to four years	0.12%	9,446	1.55%	30,050
Four to five years	-	-	0.25%	15,290
Over five years	0.66%	23,241	0.48%	13,783
Total fixed interest securities		76,302		100,397

Note 17. Reinsurance and other recoveries receivable

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Expected future recoveries on outstanding claims				
- from reinsurers	62,057	68,766	-	-
- from HCCS	50,072	47,097	-	-
	<u>112,129</u>	<u>115,863</u>	<u>-</u>	<u>-</u>
Discounted to present value	(11,079)	(2,187)	-	-
Prudential Margin	44,581	43,524	-	-
	<u>145,631</u>	<u>157,200</u>	<u>-</u>	<u>-</u>
Retirement claim recoveries from ROCS	13,163	11,409	-	-
Trade debtor - excess of loss	-	95	-	-
	<u>-</u>	<u>95</u>	<u>-</u>	<u>-</u>
Total reinsurance and other recoveries	<u>158,794</u>	<u>168,704</u>	<u>-</u>	<u>-</u>
Current reinsurance and other recoveries receivable	35,039	38,600	-	-
Non-current reinsurance and other recoveries receivable	123,755	130,104	-	-
	<u>158,794</u>	<u>168,704</u>	<u>-</u>	<u>-</u>
Total reinsurance and other recoveries receivable	<u>158,794</u>	<u>168,704</u>	<u>-</u>	<u>-</u>
Movement - outstanding claims recoveries				
Brought forward	168,704	202,000	-	-
Recognised in the Statement of Comprehensive Income (refer Note 8)	12,938	15,576	-	-
Movement in prudential margin	1,057	(10,434)	-	-
Recoveries received/receivable during the year	(23,905)	(38,438)	-	-
	<u>158,794</u>	<u>168,704</u>	<u>-</u>	<u>-</u>
Carried forward	<u>158,794</u>	<u>168,704</u>	<u>-</u>	<u>-</u>
Movement - indemnity obligations recoveries				
Recognised in the Statement of Comprehensive Income (refer Note 10)	3	9	3	9
Recoveries received during the year	(3)	(9)	(3)	(9)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carried forward	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note 18. Other assets

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deferred master policy	-	-	53,705	56,102
Deferred ROCS expense	2,176	2,284	-	-
Deferred reinsurance premium	5,035	15,948	-	-
Prepayments	646	439	621	413
Quota share commission receivable	-	2,340	-	-
Trust distributions receivable	4,684	-	4,684	-
Other	728	890	28	329
	<u>13,269</u>	<u>21,901</u>	<u>59,038</u>	<u>56,844</u>
Total other assets	<u>13,269</u>	<u>21,901</u>	<u>59,038</u>	<u>56,844</u>

Note 19. Plant and equipment

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Plant and equipment - at cost	923	912	923	912
Less: Accumulated depreciation	(660)	(682)	(660)	(682)
Total plant and equipment	263	230	263	230
	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Movements				
Opening amount	230	275	230	275
Additions	139	97	139	97
Disposals	(23)	(9)	(23)	(9)
Write-off	-	(54)	-	(54)
Depreciation expense	(83)	(79)	(83)	(79)
Closing amount	263	230	263	230

Note 20. Right-of-use assets / lease liability

(i) Right-of-use assets

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Right-of-use assets (leased assets)	9,120	8,897	9,120	8,897
Less: Accumulated depreciation	(5,552)	(4,499)	(5,552)	(4,499)
Total right-of-use assets	3,568	4,398	3,568	4,398
Movements				
Opening amount	4,398	5,449	4,398	5,449
Lease modifications	223	-	223	-
Amortisation of right-of-use assets	(1,053)	(1,051)	(1,053)	(1,051)
Closing amount	3,568	4,398	3,568	4,398

(ii) Lease liability

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Lease liability	4,203	5,056	4,203	5,056
Movements				
Opening amount	5,056	6,075	5,056	6,075
Lease modifications	223	-	223	-
Rent paid during the year	(1,199)	(1,161)	(1,199)	(1,161)
Interest expense on lease liabilities	123	142	123	142
Closing amount	4,203	5,056	4,203	5,056
Current lease liability	1,138	1,279	1,138	1,279
Non-current lease liability	3,065	3,777	3,065	3,777
Total lease liability	4,203	5,056	4,203	5,056

Note 21. Investments in subsidiaries

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
MIPS Insurance Pty Ltd (MIPSi)	-	-	36,250	36,250
Professional Management Australia Pty Ltd (PMA)	-	-	-	250
Queensland Doctors' Mutual Pty Ltd (QDM)	-	-	-	8
Total investment in subsidiaries	-	-	36,250	36,508

Name of Company	Principal Activity	Country of incorporation	Class of Shares	Ownership interest	
				2022 %	2021 %
MIPS Insurance Pty Ltd	Insurance	Australia	Ordinary	100%	100%
Professional Management Australia Pty Ltd ¹	Dormant	Australia	Ordinary	-	100%
Queensland Doctors' Mutual Pty Ltd ²	Non-operating insurance	Australia	Ordinary	-	100%
Asclepius Underwriting Pty Ltd ³ (Subsidiary of QDM)	Non-operating insurance	Australia	Ordinary	-	100%

- (1) Professional Management Australia Pty Ltd applied for voluntary de-registration on 23 June 2022, and the share capital was returned to the Society at cost
- (2) Queensland Doctors' Mutual Pty Ltd applied for voluntary de-registration on 28 June 2022, and the share capital was returned to the Society at cost
- (3) Asclepius Underwriting Pty Ltd applied for voluntary de-registration on 28 June 2022, and the share capital was returned to the Society at cost.

Note 22. Deferred tax asset

	Group		Society	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Amounts recognised in profit or loss				
Accrual for audit fees	-	17	-	5
Provision for employee entitlements	460	535	460	535
Provision for indirect claims handling costs	4,274	3,741	-	-
Investment revaluations	115	(2,720)	-	(2,856)
Dividend receivable	-	(47)	-	(47)
Provision for FBT	-	6	-	6
Market value adjustment Fixed interest securities	6,133	(1,165)	3,097	(625)
Unexpired Risk Reserve	271	-	-	-
Amounts recognised in equity				
Investment revaluations	-	-	-	-
Derecognised Deferred tax asset	(3,557)	-	(3,557)	-
Deferred tax asset / (liability)	<u>7,696</u>	<u>367</u>	<u>-</u>	<u>(2,982)</u>
Amount recognised in deferred tax losses				
Recognition of tax losses	-	2,982	-	2,982
Total net deferred tax asset/(liability)	<u>7,696</u>	<u>3,349</u>	<u>-</u>	<u>-</u>
	Group		Society	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Movements				
Opening balance at 1 July	3,349	6,810	-	(62)
Recognition of / (recoupment of) tax losses	-	2,982	-	2,982
Write-off of net adjusted deferred tax losses Credited / (charged) to the Statement of Comprehensive Income	-	(1,581)	-	-
	<u>4,347</u>	<u>(4,862)</u>	<u>-</u>	<u>(2,920)</u>
Closing balance at 30 June	<u>7,696</u>	<u>3,349</u>	<u>-</u>	<u>-</u>
	Group		Society	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Asset to reverse within 12 months	3,422	(392)	-	-
Asset/(Liability) to reverse after 12 months	<u>4,274</u>	<u>3,741</u>	<u>-</u>	<u>-</u>
Net deferred tax asset / (liability)	<u>7,696</u>	<u>3,349</u>	<u>-</u>	<u>-</u>

Note 23. Payables

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Related party payables	-	-	53,705	56,102
Trade creditors	3,082	5,768	318	425
Accrued reinsurance expense	5,035	15,948	-	-
Professional fees payable	-	58	-	19
ROCS levy payable	2,172	2,280	-	-
Net GST payable	4,180	3,838	4,307	4,055
Accruals	1,099	1,400	119	390
Other payables	31	2,483	13	65
Total payables	15,599	31,775	58,462	61,056

Note 24. Outstanding claims liability

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
(a) Outstanding claims liability				
Central estimate	167,628	155,870	-	-
Claims handling costs	14,248	12,470	-	-
	181,876	168,340	-	-
Discounted to present value	(17,132)	(3,003)	-	-
Prudential margin (refer Note 1)	72,681	63,304	-	-
	237,425	228,641	-	-
Eligible retirement claims (subject to ROCS) (refer Note 2(a) (iii))	10,663	9,071	-	-
Total gross outstanding claims liabilities	248,088	237,712	-	-
Current gross outstanding claims liability	52,793	51,902	-	-
Non-Current gross outstanding claims liability	195,295	185,810	-	-
Total gross outstanding claims liability	248,088	237,712	-	-
(b) Movements				
Brought forward	237,712	293,187	-	-
Recognised in the Statement of Comprehensive Income (refer Note 8)				
- Incurred claims	42,773	16,045	-	-
- Prudential margin	9,377	(16,725)	-	-
Claims payments during the year	(41,774)	(54,795)	-	-
Carried forward	248,088	237,712	-	-
(c) Prudential margin				
Level of sufficiency (refer Note 2)	92.5%	92.5%	-	-
Prudential margin as a percentage of the gross discounted claims liability	44.1%	38.3%	-	-

(d) Claims development table - Group

The following tables show the development of gross and net undiscounted outstanding claims relative to the ultimate expected claims for the 19 accident years since incorporation of MIPS Insurance Pty Ltd.

(i) Gross

Accident year	Up to 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimate of ultimate claims cost											
At end of accident year		21,744	25,377	28,340	39,708	47,956	53,832	58,255	40,682	50,701	
One year later		23,616	25,285	37,111	45,077	52,771	56,699	39,722	43,464		
Two years later		24,977	34,392	43,594	50,686	49,362	52,457	49,806			
Three years later		31,647	33,849	42,597	49,581	51,031	52,055				
Four years later		31,472	34,673	40,372	51,501	48,091					
Five years later		29,403	36,490	36,127	52,477						
Six years later		33,547	34,354	28,991							
Seven years later		34,376	35,486								
Eight years later		30,619									
Current estimate of cumulative claims cost	205,364	30,619	35,486	28,991	52,477	48,091	52,055	49,806	43,464	50,701	597,055
Cumulative payments	(204,334)	(30,429)	(33,383)	(27,634)	(39,841)	(31,279)	(27,982)	(14,012)	(11,359)	(2,975)	(423,228)
Outstanding claims – undiscounted	1,030	189	2,103	1,357	12,636	16,812	24,073	35,794	32,105	47,726	173,827
Claims handling costs											14,248
Discount											5,576
ROCS claims											(18,244)
Prudential margin (at 92.5% confidence level)											72,681
Total gross outstanding claims											248,088

(ii) Net

Accident year	Up to 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimate of ultimate claims cost											
At end of accident year		8,297	9,561	10,211	13,602	16,008	20,851	21,950	14,254	26,181	
One year later		8,719	9,243	12,409	15,330	18,339	20,564	15,005	14,751		
Two years later		8,823	12,047	15,194	17,820	16,955	18,100	16,433			
Three years later		11,665	12,112	14,669	17,024	16,596	18,951				
Four years later		11,411	12,326	13,322	16,560	16,597					
Five years later		10,465	13,116	10,847	17,559						
Six years later		10,965	12,183	9,393							
Seven years later		10,938	12,694								
Eight years later		10,806									
Current estimate of cumulative claims cost	129,312	10,806	12,694	9,393	17,559	16,597	18,951	16,433	14,751	26,181	272,677
Cumulative payments	(130,497)	(10,777)	(12,130)	(9,410)	(14,984)	(13,052)	(13,753)	(7,233)	(5,339)	(2,501)	(219,677)
Outstanding claims – undiscounted	(1,185)	29	564	(17)	2,575	3,546	5,198	9,200	9,412	23,680	53,000
Claims handling costs											14,248
Discount											0
ROCS claims											(6,053)
Prudential margin (at 92.5% confidence level)											28,100
Total gross outstanding claims											89,295

Note 25. Contract liabilities

	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Fee income received in advance	55,929	52,752	55,929	52,752

Note 26. Provisions

Provision	Group		Society	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Discretionary non-medical indemnity assistance	1,627	1,644	1,627	1,644
Prudential margin	-	-	-	-
	1,627	1,644	1,627	1,644
Employee entitlements (refer Note 1 (i))	1,881	2,195	1,881	2,195
Total provisions	3,508	3,839	3,508	3,839
Current provisions	2,856	2,952	2,856	2,952
Non-current provisions	652	887	652	887
Total provisions	3,508	3,839	3,508	3,839
Movements				
Discretionary non-medical indemnity assistance	1,644	1,175	1,644	1,175
Recognised in the Statement of comprehensive income (refer note 10) charge/(credit)	1,365	1,723	1,365	1,723
Discretionary non-medical indemnity assistance payments made	(1,382)	(1,254)	(1,382)	(1,254)
Carrying amount at end of year	1,627	1,644	1,627	1,644

Note 27. Share capital

	Society		Society	
	2022 Shares	2021 Shares	2022 \$'000	2021 \$'000
Issued share capital				
Ordinary share - fully paid	100,002	100,002	100	100

The Society is limited by shares and guarantee, having both shareholders and general members.

Members and Shareholders are not entitled to dividends. Each General Member has one vote at a meeting of General Members. The Shareholders in a general meeting appoint directors.

If the Society is wound up the Constitution states that each Member (other than a Member who has been a Former Member for more than one year or an Honorary Member) may be required to contribute to the assets of the Society up to an amount not exceeding \$5 for payment of the debts and liabilities of the Society including the costs of the winding up.

Number of members

Membership Category	Number of members 2022	Number of members 2021
Ordinary	37,705	36,315
Student	13,086	16,320
Total Members	50,791	52,635

Note 28. Key management personnel

(a) Directors

The names of persons who were directors of the Society at any time during the financial year are as follows: G R Speck (Chair), V P Atkinson, S Carter, M K Kelsall, A D Mason, B V Mugford, L Rowe, C J Steadman and B E Taylor.

(b) Remuneration

Key management personnel compensation for the years ended 30 June 2022 and 2021 is set out below. The key management personnel are, all the directors of the Society and the persons with the authority and responsibility for planning, directing and controlling the activities of the Society. For the year ended 30 June 2022 the key management personnel were all the directors of the Society and N Anning, R J Miles (Until 29 November 2021), N Feast, P Matruglio (Between 22 October 2021 and 22 April 2022), B Leung (From 28 February 2022), M Raberger (From 15 November 2021), K Silverback, L Burns (From 15 November 2021), M Dodd and M Tersigni (Until 29 November 2021). For the year ended 30 June 2021 the key management personnel were all the directors of the Society and N Anning, R J Miles, N Feast and M Tersigni. The change in personnel between the years was a result of changes in staff.

	Group		Society	
	2022 \$	2021 \$	2022 \$	2021 \$
Short-term benefits	3,263,747	2,749,019	2,731,845	2,230,566
Post-employment benefits	296,562	210,578	252,834	169,780
Termination benefits	1,097,075	341,101	1,097,075	341,101
Total remuneration of key management personnel	4,657,384	3,300,698	4,081,754	2,741,447

(c) Other Transactions with Directors, Key Management Personnel, Director-related Entities an Key Management Personnel-related Entities

P Matruglio was paid as an external consultant prior to joining as an employee on terms and conditions no less favourable to the Society than normal commercial terms and conditions, this amount is not included in Note 28(b).

Note 29. Remuneration of external auditors

	Group		Society	
	2022 \$	2021 \$	2022 \$	2021 \$
Ernst & Young				
Audit of financial report	235,263	222,352	88,802	86,216
Audit of regulatory returns	50,989	49,504	-	-
Other audit related work	16,710	16,224	7,070	6,864
Taxation compliance services	80,200	57,750	42,600	37,750
Total remuneration of external auditors	383,162	345,830	138,472	130,830

Note 30. Related parties

(a) Shareholding of the Society

MIPS Holdings Pty Ltd (MIPSH) owns 100% (2021: 100%) of the issued ordinary shares of the Society. As a shareholder, MIPSH is not entitled to a dividend or any surplus assets (except for the return of capital) in the event of a winding up.

(b) Wholly-owned Group

The wholly-owned Group consists of the Society and its wholly-owned subsidiaries MIPS Insurance Pty Ltd (MIPSi), Queensland Doctors' Mutual Pty Ltd (QDM) and Professional Management Australia Pty Ltd (PMA). Queensland Doctors' Mutual Pty Ltd (QDM) has a wholly-owned subsidiary company, Asclepius Underwriting Pty Ltd (AU).

(c) Related parties transactions

The Group enters into transactions with its subsidiaries, associates and key management personnel in the normal course of business. Transactions are carried out on an arm's length basis.

Details of significant transactions carried out during the year with related parties are as follows:

- All insurance cover is provided to MIPS members as a member benefit by MIPS in the form of Master and Group policies. The Society has a Master Policy for insurance cover with its subsidiary MIPSi. During the year ended 30 June 2022 the Society paid \$60,521,724 (2021: \$57,289,099) including stamp duty reimbursed to MIPSi
- MIPSi pays the Society a service fee for the provision of service under a Service Level Agreement (SLA). During the year ended 30 June 2022 the Society received \$4,253,000 (2021: \$3,402,000) from MIPSi
- QDM pays the Society a service fee for the provision of service under a SLA. During the year ended 30 June 2022 the Society received \$10,000 (2021: \$10,000)
- The Society provides services to AU under a SLA. No service fee is payable to the Society at this stage under the SLA.
- During the year PMA applied for voluntary deregistration, a final dividend was paid to the Society of \$5,322,940
- During the year QDM and AU applied for voluntary deregistration, and a final dividend was paid to the Society of \$4,623.

	Group		Society	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Receivables				
MIPSi	-	-	5	25
Payables				
Payable to MIPSi for Master Policy	-	-	53,705	56,102

Parent entity

Medical Indemnity Protection Society Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in Note 28.

Transactions with related parties

There were transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 31. Reconciliation of surplus/(deficit) after income tax to net cash inflow/(outflow) from operating activities

	Group		Society	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Net (loss)/profit	(21,112)	29,061	(14,546)	181
Non-cash items	-	-	-	-
Depreciation	83	79	83	79
Asset write-off/disposal	23	54	23	54
Net (gain)/loss on investments	22,067	(13,918)	9,578	(12,263)
Dividend received subsidiary	(5,323)	-	(5,323)	-
	-	-	-	-
(Increase)/decrease in recoveries receivable	9,910	33,296	-	-
(Increase)/decrease in contract assets	166	(11,224)	166	(11,224)
(Increase)/decrease in receivables	-	-	20	(22)
(Increase)/decrease in other assets	8,521	12,893	(2,194)	(3,232)
(Increase)/decrease in current tax asset	-	788	-	788
(Increase)/decrease in right-of-use-assets	830	1,051	830	1,051
(Increase)/decrease in deferred tax asset	(4,347)	3,462	-	(61)
(Increase)/decrease in deferred ROCS expense	108	(695)	-	-
Increase/(decrease) in provision for tax payable	(8,837)	8,860	-	-
Increase/(decrease) in accounts payable	(16,175)	(10,548)	(2,594)	4,044
Increase/(decrease) in outstanding claims	10,376	(55,475)	-	-
Increase/(decrease) in contact liabilities	3,177	11,517	3,177	11,517
Increase/(decrease) in provisions	(331)	356	(331)	356
Increase/(decrease) lease liability	(853)	-	(853)	-
Increase/(decrease) in unexpired risk reserve	902	(2,170)	-	-
Net cash inflow/(outflow) from operating activities	(815)	7,387	(11,964)	(8,732)

Note 32. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (refer Note 20) and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate 2.33% (2021 2.33%), and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Note 33. Capital adequacy

All insurance business is underwritten by MIPSi. Under APRA regulations all MIPSi capital is Tier 1. The capital adequacy information relates to MIPSi.

	2022 \$'000	2021 \$'000
Paid-up ordinary shares	36,250	36,250
Retained earnings brought forward	145,205	116,313
Current year earnings	(6,526)	28,892
Technical provisions in excess of liability valuation (net of tax)	12,445	8,587
Premium liability surplus / (deficit) (net of tax)	1,740	4,413
	<u>189,114</u>	<u>194,455</u>
Less: deductions	(7,696)	(3,347)
Net Tier 1 capital	<u>181,418</u>	<u>191,108</u>
Total capital base	181,418	191,108
Insurance risk charge	19,900	15,998
Insurance concentration risk charge	7,500	5,630
Asset risk charge	23,815	19,765
Asset concentration risk charge	8,478	8,420
Operational Risk Charge	3,027	2,534
Less: aggregation benefit	(11,479)	(9,308)
	<u>51,241</u>	<u>43,039</u>
Prescribed Capital Requirement Amount	51,241	43,039
Prescribed Capital Amount coverage ratio	3.54	4.44

Technical provisions in excess of liability valuation

The liability required by GPS 110 for prudential reporting purposes differs from accounting purposes. As described in Note 1(h) MIPSi applies risk margins to the central estimate of net outstanding claims to achieve a level above the 75% minimum as required by paragraph 29(a) of Attachment A of APRA standard GPS 320 Actuarial and Related Matters. A summary of the level of sufficiency achieved by the prudential margin is disclosed in Note 3.

Note 34. Contingent liabilities

(a) Legal proceedings:

The Group operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on the results of the Group or the Society and their financial position.

(b) Guarantees:

- (i) A bank guarantee of \$1,600,043 (2021: \$1,600,043) issued to Australia and New Zealand Banking Group (ANZ) in respect of rental bond for Level 37, 55 Collins Street, Melbourne, VIC 3000 (Head office for the Society effective 2 September 2016)
- (ii) A bank guarantee of \$448,500 (2021: \$448,500) issued to ANZ in respect of rental bond for Level 37, 55 Collins Street, Melbourne, VIC 3000 (Head office for the Society)
- (iii) A bank guarantee of \$77,220 (2021: \$67,782) issued to H A Bachrach (NOM) Pty Ltd in respect of rental bond for 67 Astor Terrace Spring Hill QLD 4000. (QLD office of the Society)
- (iv) A bank guarantee of \$126,960 (2021: \$126,960) issued to Trust Company (Australia) Ltd in respect of rental bond for Suite 901, Level 9, 50 Margaret Street, Sydney, NSW 2000. (NSW office of the Society)
- (v) An electronics pathway facility of \$300,000 (2020 \$300,000) issued to ANZ in respect to the extent ANZ will assume pay away exposure on any one day
- (vi) A bank guarantee of \$300,000 (2021: \$300,000) issued to ANZ in respect of Commercial Card Facility
- (vii) A bank guarantee of \$1,000 (2021: \$1,000) issued to ANZ in respect of Encashment Facility.

Note 35. Events occurring after balance date

No matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect:

- (a) the Group or Society's operations in future years, or
- (b) the results of those operations in future years, or
- (c) the Group or Society's state of affairs in future financial years.

Note 36. Authorisation of the financial report

The financial report of the society for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of directors on 21 September 2022.

Directors' declaration

In accordance with a resolution of the Directors of the Company, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Society are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Society's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and
- (c) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

On behalf of the Board



G R Speck
Chair



B E Taylor
Director

27 September 2022
Melbourne



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working world**

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Independent auditor's report to the members of Medical Indemnity Protection Society Limited

Opinion

We have audited the financial report of Medical Indemnity Protection Society Ltd (the Company) and its subsidiaries (collectively the Group), which comprises:

- ▶ The Group consolidated and Company statements of financial position as at 30 June 2022;
- ▶ The Group consolidated and Company statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended;
- ▶ Notes to the financial statements, including a summary of significant accounting policies; and
- ▶ The directors' declaration.

In our opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's and the Group's financial position as at 30 June 2022 and of their financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 Company's or the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

E Reekie

Emma Reekie
Partner
Melbourne
27 September 2022