



Queensland

Motor Accident Insurance Amendment Regulation (No. 1) 2011

Explanatory Notes for SL 2011 No. 24

made under the

Motor Accident Insurance Act 1994

General outline

Short title

Motor Accident Insurance Amendment Regulation (No. 1) 2011.

Authorising law

Sections 14A(1), 14A(2) and 100(1) of the *Motor Accident Insurance Act 1994*

Policy objectives and the reasons for them

The objective of this Regulation amendment is to fix the levies and administration fee that will apply to Compulsory Third Party (CTP) insurance policies from 1 July 2011.

The levies and administration fee applicable under the *Motor Accident Insurance Act 1994* are:

- **Hospital and Emergency Services Levy** – designed to cover a reasonable proportion of the estimated cost of providing public hospital and public emergency services for people injured in motor

vehicle accidents using such services who are CTP claimants or potential CTP claimants.

- **Nominal Defendant Levy** – provides funds to pay for claims relating to uninsured or unidentified vehicles.
- **Statutory Insurance Scheme Levy** – meets the operating cost of the Motor Accident Insurance Commission (the Commission) as well as providing funding for research into injury mitigation and accident prevention.
- **Administration Fee** – paid to the Department of Transport and Main Roads for work done in the administration of the scheme.

The levies and administration fee are required to be fixed by regulation annually and in order to comply with legislative timeframes, the regulation must be made before 1 April 2011.

Achievement of policy objectives

The objective is achieved by amending S8(2) and Schedule 3 of the *Motor Accident Insurance Regulation 2004* to update the administration fee and levies applicable under this legislation.

Consistency with policy objectives of authorising law

The Regulation amendment is consistent with the main objectives of the *Motor Accident Insurance Act 1994* including to keep the cost of CTP insurance at a level the average motorist can afford. The total increase in levies and administration fee has been determined in line with the Treasury Department forecast Consumer Price Index (CPI) and represents an increase of \$1 per Class 1 policy or 2.7%.

Inconsistency with policy objectives of other legislation

There is no known inconsistency with policy objectives of other legislation.

Benefits and costs of implementation

There is no cost to Government associated with these amendments however they will provide significant funding to Queensland Health, the Department of Community Safety, the Department of Transport and Main Roads and

the Motor Accident Insurance Commission. The costs to motorists as a result of this amendment are minimal and are determined in line with Treasury Department forecast CPI and represent an increase of \$1 per Class 1 policy on the current year's levies and fee.

Consistency with fundamental legislative principles

The amendments do not conflict with fundamental legislative principles.

Consultation

Submissions were received from:

- Queensland Health & the Department of Community Safety in regards to the Hospital and Emergency Services Levy;
- Queensland State Actuary for determining the Nominal Defendant Levy; and
- Department of Transport and Main Roads in regards to the administration fee.

Furthermore the Queensland Office for Regulatory Efficiency was consulted regarding the need for a Regulatory Assessment Statement.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Treasury Department.