



Queensland

Motor Accident Insurance Amendment Regulation (No. 1) 2012

Explanatory Notes for SL 2012 No. 35

made under the

Motor Accident Insurance Act 1994

General outline

Short title

Motor Accident Insurance Amendment Regulation (No. 1) 2012.

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 primary 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 2012.

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 costs 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.

These 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 2012.

In addition to the fixing of the CTP levies and administration fee, this Regulation amendment also includes a number of minor technical amendments to the *Motor Accident Insurance Regulation 2004*. These amendments are related to:

- Providing clarity to a number of agencies regarding their ability to disclose information under the *Motor Accident Insurance Regulation 2004*; and
- Updating references to a Police Traffic Incident Number.

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, as well as the implementation of the minor technical amendments.

Consistency with policy objectives of authorising law

This 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 has been determined in line with the Treasury Department's forecast Consumer Price Index (CPI), and represents an increase of 80 cents per Class 1 policy or 2.11%.

Inconsistency with policy objectives of other legislation

There is no known inconsistency with policy objectives or 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 the Treasury Department's forecast CPI and represent an increase of 80 cents per Class 1 policy on the current year's levies and fee.

Consistency with fundamental legislative principles

These amendments do not conflict with fundamental legislative principles.

Consultation

Submissions were received from:

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

Furthermore, consultation with Q-Comp and the Legal Services Commission was undertaken, and a request received from the Office of the Director of Public Prosecutions (via the Department of Justice and Attorney-General) regarding the minor technical amendments.

The Regulatory Review Branch was also 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.

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