

Motor Accident Insurance Amendment Regulation (No. 1) 2014

Explanatory notes for SL 2014 No. 98

made under the

Motor Accident Insurance Act 1994

General Outline

Short title

Motor Accident Insurance Amendment Regulation (No. 1) 2014

Authorising law

Section 100A of the *Motor Accident Insurance Act 1994*

Policy objectives and the reasons for them

The objective of this Amendment Regulation is to index particular monetary amounts under the *Motor Accident Insurance Act 1994* (MAI Act). These amounts are:

- The declared costs limit;
- The lower offer limit; and
- The upper offer limit.

These amounts are used in determining the award of legal costs to compulsory third party (CTP) claimants following court proceedings involving relatively small awards of damages.

Section 100A of the MAI Act provides for the annual indexation of these monetary amounts and requires the Minister to recommend to the Governor in Council, on or before 1 July in each year, the amounts to be prescribed under a regulation.

Each recommended amount is to be the amount last prescribed under a regulation for the limit adjusted by the percentage change in average weekly earnings over the 12 months preceding the date of the recommendation and rounded to the nearest ten dollars.

‘Average weekly earnings’ (AWE) is defined in the MAI Act as the amount of Queensland full-time adult persons ordinary time earnings declared by the Australian Statistician in the original series of the statistician’s average weekly earnings publication most recently published before the start of the financial year.

Achievement of policy objectives

The objective is achieved by amending section 27A of the *Motor Accident Insurance Regulation 2004* to include indexed amounts for the declared costs limit, the lower offer limit and the upper offer limit, for injuries arising on or from 1 July 2014.

The indexed amounts are the amounts last prescribed, adjusted by the percentage change in the Australian Bureau of Statistics’ (ABS) original series estimates for average weekly ordinary time earnings of Queensland full-time adult persons over the most recent 12 month period of published ABS data (November 2012 to November 2013), rounded to the nearest ten dollars.

Consistency with policy objectives of authorising law

This Amendment Regulation is consistent with the policy objectives of the MAI Act, including that specified monetary amounts are indexed on an annual basis.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

Indexation of the prescribed monetary amounts ensures that over time these amounts maintain their value relative to other components of CTP claims. There is no cost to Government associated with these amendments.

Consistency with fundamental legislative principles

These amendments do not conflict with fundamental legislative principles.

Consultation

The Department of Justice and Attorney-General was consulted to ensure ongoing consistency in the amounts prescribed for the monetary limits which are common to both the MAI Act and the *Personal Injuries Proceedings Act 2002*.

The Office of Best Practice Regulation was consulted and confirmed that a Regulatory Impact Statement was not required.