

EXPLANATORY NOTES FOR SUBORDINATE LEGISLATION

Motor Accident Insurance Amendment Regulation (No. 1) 2015

Explanatory notes for SL 2015 No. 6

made under the

Motor Accident Insurance Act 1994

General Outline

Short title

Motor Accident Insurance Amendment Regulation (No. 1) 2015

Authorising law

Sections 14A and 100 of the *Motor Accident Insurance Act 1994*

Policy objectives and the reasons for them

The objective of this Regulation amendment is to confirm the levies and administration fee applying to compulsory third party (CTP) insurance policies from 1 July 2014 and fix the new levies and administration fee that will apply to CTP insurance policies from 1 July 2015.

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** – provides funds for the operating cost of the Motor Accident Insurance Commission in the administration of the *Motor Accident Insurance Act 1994*.
- **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.

Achievement of policy objectives

The objective is achieved by amending section 8 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. There is no increase in the aggregate total of the levies and admin fee to apply from 1 July 2015.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

The amendments will result in reduced funding for the Department of Transport and Main Roads, Nominal Defendant, Public Safety Business Agency and Motor Accident Insurance Commission through reductions in several levies. These reductions were determined following consultation with the Office of the State Actuary, Public Safety Business Agency and Department of Transport and Main Roads. The amendments will provide increased funding to Queensland Health through an increase in the Hospital and Emergency Services Levy.

Consistency with fundamental legislative principles

The amendments do not conflict with fundamental legislative principles.

Consultation

Consultation was undertaken with Queensland Health and the Public Safety Business Agency in regards to the Hospital and Emergency Services Levy; Queensland State Actuary for determining the Nominal Defendant Levy; and the Department of Transport and Main Roads in regards to the administration fee.

The proposed levy and administration fee amounts align broadly with the requirements of the Public Safety Business Agency, Motor Accident Insurance Commission and Department of Transport and Main Roads. The Motor Accident Insurance Commission considered the State Actuary's annual review of the Nominal Defendant levy in determining the recommended levy for 2015-16. Queensland Health will receive an increased amount from the Queensland Health and Emergency Services Levy, however will not receive their request of full funding of all costs associated with motor vehicle trauma, which is beyond the scope of section 12(4) of the *Motor Accident Insurance Act 1994*. No issues have been raised with the proposed amounts.

The Office of Best Practice Regulation has been consulted and has indicated that no Regulatory Assessment Statement is required.