

Transport and Another Regulation Amendment Regulation (No. 1) 2015

Explanatory notes for SL 2015 No. 24

made under the

Motor Accident Insurance Act 1994

Transport Operations (Road Use Management) Act 1995

General Outline

Short title

Transport and Another Regulation Amendment Regulation (No. 1) 2015

Authorising law

Section 100 of the *Motor Accident Insurance Act 1994*

Section 171 of the *Transport Operations (Road Use Management) Act 1995*

Policy objectives and the reasons for them

The Department of Transport and Main Roads is introducing a direct debit payment scheme, to allow eligible customers to pay their annual or six monthly vehicle registration fees by direct debit. In addition, a new three monthly registration renewal term will also be introduced for eligible customers who pay their light vehicle registration fees by direct debit, with new surcharges applying to this option.

Surcharges are currently payable for registration and compulsory third party (CTP) insurance for all registration renewals of less than one year. The surcharges cover additional transaction and processing costs. As part of introducing the direct debit payment scheme, existing surcharges have been reviewed to ensure they are as low as possible. It is proposed to reduce existing surcharges for registration renewals for light vehicles and existing surcharges for CTP insurance for both light and heavy vehicles.

The three month registration renewal term will provide eligible Queenslanders with an additional option for budgeting for their vehicle registration costs, by allowing the option of more manageable quarterly payments.

The direct debit option will simplify registration renewals, as once enrolled in the scheme, customers will no longer have to manually pay their registration as payments will be made automatically from their nominated account.

The reduction in existing surcharges will mean lower costs for motorists who choose to renew their vehicle registration for periods of less than one year.

Achievement of policy objectives

Overview

The *Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010* (the Vehicle Registration Regulation) is being amended to provide greater flexibility for the chief executive to grant appropriate registration renewal terms. Initially, this will facilitate the three month registration renewal term for eligible customers who pay their registration by direct debit. The Vehicle Registration Regulation is also being amended to reduce existing registration surcharges for light vehicles and to introduce new surcharges for three monthly registration renewals paid by direct debit.

No legislative changes are needed to implement the direct debit payment option for six monthly and annual vehicle registration renewals, as this is merely offering a new payment channel.

The *Motor Accident Insurance Regulation 2004* is being amended to reduce existing surcharges for CTP insurance for light and heavy vehicles and to introduce new surcharges for three monthly registration renewals paid by direct debit.

Changes to the surcharges

The current and proposed surcharges for light vehicle registration and concessional light vehicle registration are outlined in the tables below.

SURCHARGE CATEGORY	6 Month Registration Term or Registration Term of less than 1 year (Direct Debit and Non Direct Debit)		3 Month Registration Term (Direct Debit Only)	
	Current Surcharge	Proposed Surcharge	Current Surcharge	Proposed Surcharge
Registration surcharge	\$9.35	\$7.60	N/A	\$3.80
CTP surcharges	\$8.00	\$5.00	N/A	\$2.50
Total	\$17.35	\$12.60	N/A	\$6.30
Annualised Total	\$34.70	\$25.20	N/A	\$25.20

SURCHARGE CATEGORY	6 Month Registration Term or Registration Term of less than 1 year (Direct Debit and Non Direct Debit) Concessional registration		3 Month Registration Term (Direct Debit Only) Concessional registration	
	Current Surcharge	Proposed Surcharge	Current Surcharge	Proposed Surcharge
Registration surcharge	\$4.60	\$4.60	N/A	\$1.85
CTP surcharges	\$8.00	\$5.00	N/A	\$2.50
Total	\$12.60	\$9.60	N/A	\$4.35
Annualised Total	\$25.20	\$19.20	N/A	\$17.40

The registration surcharges payable for heavy vehicles whose registration is renewed for less than one year will be increased in accordance with the government index factor from 1 July, as usual. However, as noted above, the operators of heavy vehicles whose registration is renewed for less than one year will benefit from the reduction in the CTP insurance surcharges.

Eligibility for payment by direct debit

For operational reasons, eligibility for the direct debit scheme will initially be restricted to light vehicles that are registered in an individual name or names and to vehicles with eligible purposes of use. Eligible purposes of use will include private, commercial, farm, limousine, special purpose limousine, non-profit, taxi companies, peak demand taxi and driver training or tuition. Once this initial rollout has been fully implemented, consideration will be given to extending the scheme to other registered operators and purposes of use.

Commencement of new surcharges and direct debit scheme

The new surcharges will come into effect from 1 July 2015. Customers who are eligible for the new three month registration term will commence being invited to use the service after 1 July 2015.

Consistency with policy objectives of authorising law

The amendments are consistent with the objectives of the authorising laws.

Benefits and costs of implementation

The three month registration renewal term will provide eligible Queenslanders with an additional option for budgeting for their vehicle registration costs, by allowing the option of more manageable quarterly payments.

The direct debit option will simplify registration renewals, as once enrolled in the scheme, customers will no longer have to manually pay their vehicle registration.

The reduction in existing surcharges will mean lower costs for motorists who choose to renew their vehicle registration for periods of less than one year.

The project is being funded within existing departmental budget allocations.

Consistency with fundamental legislative principles

The amendments are consistent with fundamental legislative principles.

Consultation

Consultation was undertaken with the Department of the Premier and Cabinet, Queensland Treasury, the Department of Justice and Attorney-General, Queensland Police Service and the Office of Best Practice Regulation (Queensland Competition Authority).

All parties consulted agree with the proposed amendments. The Office of Best Practice Regulation advised that a Regulatory Impact Statement is not required because the proposals are unlikely to result in significant adverse impacts.