

Motor Accident Insurance Amendment Regulation (No. 1) 2016

Explanatory notes for SL 2016 No. 26

made under the

Motor Accident Insurance Act 1994

General Outline

Short title

Motor Accident Insurance Amendment Regulation (No. 1) 2016

Authorising law

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

Policy objectives and the reasons for them

The purpose of the amendment to the *Motor Accident Insurance Regulation 2004* is to fix the levies and administration fee that will apply to Compulsory Third Party insurance premiums from 1 July 2016.

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 to people injured in motor vehicle accidents who are CTP claimants or potential CTP claimants.
- **Nominal Defendant levy** – required to provide sufficient funds to pay claims arising from motor vehicle accidents occurring in the year relating to uninsured or unidentified vehicles.
- **Statutory Insurance Scheme levy** – meets the operating cost of the Motor Accident Insurance Commission (MAIC) in the administration of the Queensland CTP scheme.
- **Administration fee** – paid to the Department of Transport and Main Roads (DTMR) for CTP related customer service and for processing CTP premiums as part of the motor vehicle registration renewal process.

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 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* which includes keeping the cost of CTP insurance at a level the average motorist can afford. The aggregate total of the levies and administration fee to apply from 1 July 2016 will remain unchanged.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

The Nominal Defendant levy, Statutory Insurance Scheme levy, Hospital and Emergency Services levy, and the administration fee will remain unchanged.

Consistency with fundamental legislative principles

The amendments do not conflict with fundamental legislative principles as defined in the *Legislative Standards Act 1992* and does not breach the rights and liberties of individuals or the institution of Parliament.

Consultation

Consultation was undertaken with Queensland Health, Queensland Fire and Emergency Service, 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 DTMR in regards to the administration fee.

The Office of Best Practice Regulation has been consulted and has indicated that a Regulatory Impact Statement is not required.