

Motor Accident Insurance and Other Legislation (Fees and Levies) Amendment Regulation 2018

Explanatory notes for SL 2018 No. 32

made under the

Motor Accident Insurance Act 1994

National Injury Insurance Scheme (Queensland) Act 2016

General Outline

Short title

Motor Accident Insurance and Other Legislation (Fees and Levies) Amendment Regulation 2018

Authorising law

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

Sections 99 and 140 of the *National Injury Insurance Scheme (Queensland) Act 2016*

Policy objectives and the reasons for them

The principle objective of the *Motor Accident Insurance and Other Legislation (Fees and Levies) Amendment Regulation 2018* (amendment regulation) is to:

- fix the levies and administration fee to apply to Compulsory Third Party (CTP) insurance premiums from 1 July 2018;
- fix the levy for the National Injury Insurance Scheme, Queensland for the 2018-2019 financial year to apply from 1 July 2018; and
- make administrative and other minor technical amendments to ensure consistency and to rectify outdated references.

The levies and administration fee applicable under the *Motor Accident Insurance Act 1994* are:

- **Statutory Insurance Scheme Levy** – covers the estimated operating costs of the Motor Accident Insurance Commission (MAIC) in performing its functions as administrator and regulator of the CTP scheme and to provide funds for accident prevention and injury mitigation research.

- **Hospital and Emergency Services Levy** – covers a reasonable proportion of the estimated cost of providing public hospital services and public emergency services to people injured in motor vehicle accidents who are CTP claimants or potential CTP claimants.
- **Nominal Defendant Levy** – provides funds to pay the claims relating to uninsured or unidentified motor vehicles.
- **Injury Insurance Scheme Levy** – aims to cover the estimated costs of the National Injury Insurance Scheme, Queensland which provides necessary and reasonable lifetime treatment, care and support to those who sustain eligible serious personal injuries in a motor vehicle accident in Queensland on or after 1 July 2016.
- **Administration Fee** – paid to the Department of Transport and Main Roads for work done in the administration of the statutory insurance scheme.

Pursuant to the *Motor Accident Insurance Act 1994* the levies and administration fee to apply to CTP insurance premiums from 1 July 2018 are required to be fixed by regulation and the regulation must be made before 1 April 2018.

The amendment regulation also makes minor amendments that are machinery in nature to ensure consistency and rectify outdated references.

Achievement of policy objectives

The policy objectives are achieved by:

- fixing the levies and administration fee to apply to CTP insurance premiums from 1 July 2018 by amending section 8 and Schedule 3 of the *Motor Accident Insurance Regulation 2004*;
- fixing the levy for the National Injury Insurance Scheme, Queensland for the 2018-2019 financial year to apply from 1 July 2018 by updating Schedule 1 of the *National Injury Insurance Scheme (Queensland) Regulation 2016*;
- making minor amendments to the *Motor Accident Insurance Regulation 2004* that are machinery in nature to ensure consistency and rectify outdated references.

Consistency with policy objectives of authorising law

The amendment regulation is consistent with the main objectives of the *Motor Accident Insurance Act 1994* including keeping the cost of CTP insurance at a level the average motorist can afford.

Inconsistency with policy objectives of other legislation

No inconsistencies with the policy objectives of other legislation have been identified.

Alternative ways of achieving policy objectives

The policy objectives can only be achieved by regulatory amendment.

Benefits and costs of implementation

There are no costs to implement the amendment regulation. The funds raised by the levies and administration fee will help cover the costs involved in delivering different components of the Queensland CTP scheme.

Consistency with fundamental legislative principles

The amendment regulation is consistent with fundamental legislative principles.

Consultation

Consultation was undertaken with:

- Queensland Health, Queensland Fire and Emergency Services and the Public Safety Business Agency in relation to the Hospital and Emergency Services Levy;
- The State Actuary's Office in relation to the Nominal Defendant levy and the Injury Insurance Scheme Levy;
- The National Injury Insurance Scheme Queensland (NIISQ) Board in relation to the Injury Insurance Scheme Levy; and
- The Department of Transport and Main Roads in relation to the administration fee.

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