

# Motor Accident Insurance (Prescribed Amounts) Amendment Regulation 2018

Explanatory notes for SL 2018 No. 66

made under the

*Motor Accident Insurance Act 1994*

## General Outline

### Short title

Motor Accident Insurance (Prescribed Amounts) Amendment Regulation 2018

### Authorising law

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

### Policy objectives and the reasons for them

The objective of the *Motor Accident Insurance (Prescribed Amounts) Amendment Regulation 2018* is to index monetary amounts under section 100A of the *Motor Accident Insurance Act 1994*. These amounts are:

- The declared costs limit
- The lower offer limit
- The upper offer limit

The lower and upper offer limits provide thresholds for the awarding of legal costs by a court and the declared costs limit is the maximum amount of legal costs payable in specified circumstances.

Section 100A of the *Motor Accident Insurance Act 1994* 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 each year, the amounts to be prescribed under a regulation.

Each recommended amount is to be the amount last prescribed, adjusted by the percentage change in average weekly earnings (AWE) over the 12 months preceding the date of the recommendation and rounded to the nearest ten dollar. AWE is defined in section 4 of the *Motor Accident Insurance Act 1994* 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 policy 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 occurring on or after 1 July 2018.

Australian Bureau of Statistics data indicates that AWE effective from 1 July 2018 will be \$1,527.80 increasing from \$1,482.10 in the previous period. This represents an annual percentage increase of 3.08% when applied to each monetary limit under the *Motor Accident Insurance Regulation 2004*.

## **Consistency with policy objectives of authorising law**

The amendment regulation is consistent with the main objects of the *Motor Accident Insurance Act 1994*, that is to encourage the speedy resolution of personal injury claims resulting from motor vehicle accidents and to keep the costs of Compulsory Third Party (CTP) motor vehicle insurance at a level the average motorist can afford.

## **Inconsistency with policy objectives of other legislation**

The amendment regulation is consistent with the policy objectives of other legislation. It provides for the indexation of monetary amounts consistent with other State laws relating to common law damages for personal injury.

## **Benefits and costs of implementation**

The amendment regulation, in providing for the indexation of the declared costs limit, the lower offer limit and the upper offer limit, maintains the relative value of these amounts over time in line with wages growth. There are no costs to Government associated with these amendments.

## **Consistency with fundamental legislative principles**

The amendment regulation is consistent with fundamental legislative principles.

## **Consultation**

The Office of Best Practice Regulation was consulted and considers the regulatory proposal would not benefit from further assessment under *The Queensland Government Guide to Better Regulation* as the amendment regulation applies annual indexation in accordance with the *Motor Accident Insurance Act 1994* and is of a machinery nature.