

Transport Operations (Road Use Management— Vehicle Registration) and Other Legislation Amendment Regulation 2019

Explanatory notes for SL 2019 No. 201

made under the

Motor Accident Insurance Act 1994

Transport Operations (Road Use Management) Act 1995

General Outline

Short title

*Transport Operations (Road Use Management—Vehicle Registration) and Other Legislation
Amendment Regulation 2019*

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 policy objective of the *Transport Operations (Road Use Management—Vehicle Registration) and Other Legislation Amendment Regulation 2019* (the amendment regulation) is to enhance the operation of transport legislation by:

- introducing the option of a one-month vehicle registration term for persons who agree to pay their vehicle's registration renewal by direct debit and to receive electronic communications about their vehicle registration renewal;
- supporting the introduction of a one-month vehicle registration term by rationalising and streamlining vehicle registration surcharges and late payment fees;

- clarifying that those opting for a three-month registration term must pay their vehicle registration renewal by direct debit and agree to receive electronic communications about their vehicle registration renewal;
- removing provisions that impose a \$10 minimum on insurers' premiums for registration periods of less than one year;
- enabling the Department of Transport and Main Roads (TMR) to provide to compulsory third party (CTP) insurers the email addresses of registered operators of vehicles who have elected one-month registration terms;
- removing the requirement for TMR to include a CTP insurer nomination form in the vehicle registration renewal notice; and
- introducing a power for the chief executive to recall for exchange a number plate that might infringe the rights of a third party or contravene the Australian Consumer Law (Queensland).

Achievement of policy objectives

The amendment regulation achieves the policy objectives listed above by amending the *Motor Accident Insurance Regulation 2018* and the *Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010* as set out below.

Introducing a one-month vehicle registration term

A one-month vehicle registration term is being introduced to make registration renewal more convenient and affordable for eligible customers. The one-month vehicle registration renewal term will provide eligible Queenslanders with an additional registration term option for budgeting for their vehicle registration costs, by allowing the option of more manageable monthly payments.

A one-month vehicle registration term will be available to any person who agrees to pay their vehicle registration under a direct debit arrangement and agrees to receive all communication in relation to the registration and renewal of the vehicle electronically. Requiring a person to agree to a direct debit arrangement, and to receive electronic communications, is necessary due to the short timeframe (one month) within which a vehicle may become unregistered due to non-payment. Under section 11 of the *Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010*, it is an offence to use a vehicle on a road that is not registered. The use of electronic communications, rather than the postal service to receive registration renewals for a one-month registration term is due to the time constraints when using conventional mail. Additionally, electronic communication will not only improve convenience for the person but will reduce the costs (for example, postage costs) of administering a shorter registration term.

The amendments will also clarify that those opting for a three-month registration term must pay their vehicle registration renewal by direct debit and agree to receive electronic

communications about their vehicle registration renewal. Taxis, booked hire services and heavy vehicles will continue to have access to a three-month registration term without requiring direct debit payments, as is currently the case.

Under the amendments, the chief executive will maintain a discretion to offer registration terms in other circumstances where it is reasonable and appropriate to do so. For example, while the three-month term requires a person to agree to pay their vehicle registration under a direct debit arrangement, for those persons without a computer, or for those who are computer illiterate, the chief executive can still use discretion to offer shorter payment terms.

Surcharges are currently payable for registration for all registration renewals of less than one year. This includes the instance where a person underpays their 12-month registration renewal amount. The surcharges cover additional transaction and processing costs. As part of introducing one-month vehicle registration terms, existing surcharges have been reviewed and are being streamlined.

The surcharge for light vehicles is currently regulated at \$8.65 per transaction for six-month payments, \$4.30 for three-month payments made through direct debit, and \$38.50 for heavy vehicles (schedule 3, part 2, items 7 and 8).

Maintaining the existing fee structure for a one-month vehicle registration term would result in a person incurring total surcharge fees in excess of \$50 more than a person who pays annually. The amendments will streamline and simplify the current approach to surcharges and ensure that a more proportionate surcharge applies to a one-month vehicle registration term.

An administrative fee also currently applies for customers who pay their renewal after the expiry date of their previous registration term. The fee for 2019-2020 is \$65.30 for most vehicles. A reduced administrative fee for late payment of a one-month vehicle registration term will be applied to ensure that the fee for late payments for one-month registration terms is proportional and appropriate for the shorter term.

The amendments are designed to reduce cost of living pressures for Queenslanders by allowing the payment of registration fees in one-month amounts. Without a commensurate adjustment of surcharges and administrative fees, a disproportionate surcharge and administrative fee will apply to one-month vehicle registration terms.

The proposed surcharges for payment of registration for less than one year, and administrative fee for late payments, are detailed in the tables below. It is noted that under current provisions, a person who underpays a 12-month term is currently liable to the same surcharge that applies to a six-month term under section 44 of the *Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010*. That position is being retained in item 10 of schedule 3, part 3 of the amendment regulation.

Future surcharges for payment of registration for less than one year				
Description	Vehicle Type	1 month	3 months	6 months (including underpayment of 12-month term)
Surcharge for payment of registration for less than one year	Category 1 vehicle	\$1.45	\$4.30	\$8.65
	Category 1 vehicle Concessional	\$1.00	\$2.60	\$5.25
	Heavy Vehicle	\$6.40	\$19.25	\$38.50
	Vehicles registered under conditional registration	\$1.45	\$4.30	\$8.65

Future administrative fee for late payment				
Vehicle/Concession Type	New 1-month term fee	Existing 3-months fee	Existing 6 months fee	Existing 12 months fee
Special interest vehicle, light trailers, conditional registration, charitable concession	\$5.40	\$16.20	\$16.20	\$16.20
All other vehicle types	\$21.80	\$65.30	\$65.30	\$65.30

Removing the rounding to \$10 of insurer's premium

Vehicle registration and CTP insurance coverage are acquired simultaneously. Any CTP insurer's premium (excluding the CTP levies and administration fee) for a registration period that is less than 12 months which is under \$10 is required (pursuant to section 7 of the *Motor Accident Insurance Regulation 2018*) to be increased to \$10. For CTP insurance classes where the 12-month CTP premium is under \$120, the rounding of premiums to \$10 will make one-month registration significantly more expensive than the 12-month option. For example, the 12-month premium (excluding levies and the administration fee) for Class 5 vehicles is \$35. Class 5 motor vehicles are motor vehicles for use only as vintage, veteran, historic or street rod motor vehicles. Due to the current rounding requirement, if a Class 5 motorist could opt for a one-month vehicle registration term, they would pay an additional \$85 a year (plus levies and the administration fee). Removing the \$10 rounding requirement will ensure one-month registration is a viable option for all vehicle owners regardless of their vehicle's CTP class. Removal of section 7 will not only benefit motorists who elect a one-month registration term but also those who purchase three month terms and are currently having their insurer's premium rounded to \$10.

Providing email addresses to CTP insurers

When the registered operator of a motor vehicle purchases a new CTP policy, the insurer may elect to post them a package of information about the insurer and the policy they have purchased. The use of electronic communications, rather than the postal service, will ensure that registered operators opting for a one-month registration term receive their CTP insurance information in a timely manner. Additionally, electronic communication will improve convenience for the registered operator and reduce costs (for example, postage costs) for insurers preparing monthly CTP insurance information.

To access a one-month vehicle registration term, registered operators will be required to provide their email address to TMR to receive electronic communications, including renewal notices and payment reminders. An amendment will require TMR to provide each insurer access to the email address of each registered operator who has purchased a one-month registration term for which the insurer provides CTP insurance.

Removing the CTP insurer nomination form from vehicle registration renewal notices

When a registered operator of a motor vehicle applies for vehicle registration for the first time, they must select a licensed insurer to provide a CTP insurance policy for the vehicle. A registered operator is not required to select a CTP insurer each time they renew their registration. However, a registered operator can nominate a change of CTP insurer at any time by contacting their preferred CTP insurer, telephoning TMR or presenting at TMR's Customer Service Centre or completing an online request. TMR is required to send with each notice for the renewal of registration, a form for nominating a change of CTP insurer. The form has extremely low rates of use and is only able to be used in person at Australia Post or at a TMR Customer Service Centre. Most registered operators who wish to change their CTP insurer do so online or over the phone. An amendment will remove the requirement to include the form on the registration renewal notice. The list of licensed CTP insurers and their contact details will remain on the notice.

Exchange of number plates in particular circumstances

From late 2019, the purchasers of personalised number plates will have the option of including a caption to appear along the lower edge of their number plate. The caption will be of smaller font than the number plate combination and will not form part of the vehicle's registration number. Customers will be able to create their own caption, with an average maximum length of 32 characters (depending on the letters chosen). Detailed procedures will be adopted to minimise the risk of an inappropriate caption appearing on a number plate. Number plates should not infringe a third party's intellectual property rights, give rise to a cause of action for passing off or defamation, or contravene the misleading and deceptive conduct provisions or the false and misleading representation provisions in the Australian Consumer Law (Queensland). An amendment will provide that if a plate is inadvertently issued that gives rise to any of those circumstances, the chief executive will have the power to require the plate be returned and exchanged for a more appropriate plate.

Consistency with policy objectives of authorising law

The amendments to the *Motor Accident Insurance Regulation 2018* are consistent with the objectives of the *Motor Accident Insurance Act 1994*.

The amendments to the *Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010* are consistent with the policy objectives of the *Transport Operations (Road Use Management) Act 1995*. In particular, these amendments are consistent with the objectives of providing for the effective and efficient management of road use in the State and providing a scheme for managing the use of the State's roads that will improve road safety in ways that contribute to overall transport effectiveness and efficiency.

Inconsistency with policy objectives of other legislation

The amendments are not inconsistent with the policy objectives of other legislation.

Benefits and costs of implementation

As outlined above, the benefits of making the amendment regulation include that:

- a one-month vehicle registration term will be available to offer registration on more affordable terms without imposing disproportionate surcharges or CTP premiums;
- CTP insurers of registered vehicles will be able to send to their customers information about the customer's vehicle registration quickly and easily by email and avoid unnecessary and cost prohibitive postage;
- the removal of the CTP insurer nomination form will free up space on the registration renewal notice and will enable TMR to, where appropriate, provide more pertinent information as required; and
- number plates that are not suitable for use on a road can be recalled by the chief executive.

The cost of implementing the amendments is minimal and will be met from existing resources.

Consistency with fundamental legislative principles

The amendment regulation may raise fundamental legislative principle considerations. However, any potential breach is considered justified as further outlined below.

Legislation must have sufficient regard to the rights and liberties of individuals (section 4(2)(a) of the *Legislative Standards Act 1992*)

Exchange of number plates in particular circumstances

Section 104 of the *Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010* provides that a number plate issued by the chief executive remains the property of the State.

The amendment regulation will expand the circumstances in which the chief executive can require a person to return a number plate for exchange. The new power will apply if any writing, word or image on the number plate is likely to infringe a third party's intellectual property rights, give rise to a cause of action for passing off or defamation, or contravene certain provisions of the Australian Consumer Law (Queensland). On the exchange of the plate, the original plate will no longer be effective and, for personalised number plates, the person will no longer have the right to use the number on the personalised number plate. The person will, however, be entitled to another number plate of the same value.

The new provision strikes an appropriate balance between the right of individuals to have a number plate of their choosing and the rights of other people to have their intellectual property and unregistered trademarks protected, to not be defamed and to not be exposed to any misleading and deceptive conduct or false and misleading representations. Importantly, there will be comprehensive policies and procedures implemented to prevent such plates being issued in the first place. The amendments are designed to apply only in those rare circumstances where a plate is inadvertently issued or the potential infringement of a third party's rights becomes apparent after the issue of the plate.

Consultation

The Royal Automobile Club of Queensland (RACQ) was consulted on the amendments and did not raise any concerns.

The Office of Best Practice Regulation (OBPR) in the Queensland Productivity Commission has advised that the amendments to:

- facilitate one-month registration by amending the existing surcharges to enable customers to adopt one-month vehicle registration terms;
- remove the rounding to \$10 of insurer's premium for registration periods of less than one year; and
- require TMR to provide to CTP insurers the email addresses of registered operators of vehicles who have elected one-month registration terms;

will not add to the burden of regulation and are unlikely to result in significant adverse impacts, and no further analysis is required under the *Queensland Government Guide to Better Regulation* (the Guidelines).

The OBPR has advised that the amendment to remove the requirement for TMR to include a CTP insurer nomination form in the vehicle registration renewal notice is unlikely to result in significant adverse impacts and no further analysis is required under the Guidelines.

In accordance with the Guidelines, TMR applied a self-assessable exclusion from undertaking further regulatory impact analysis on the amendment to clarify the circumstances in which the chief executive may require a number plate to be exchanged based on Category G—Regulatory proposals that are of a machinery nature.