

# Motor Accident Insurance and Other Legislation (Administration Fee and Levies) Amendment Regulation 2020

Explanatory notes for SL 2020 No. 38

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 (Administration Fee and Levies)  
Amendment Regulation 2020*

### 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 (Administration Fee and Levies) Amendment Regulation 2020* is to:

- fix the levies and administration fee to apply to Compulsory Third Party (CTP) insurance premiums from 1 July 2020
- fix the levy for the National Injury Insurance Scheme, Queensland for the 2020-2021 financial year to apply from 1 July 2020.

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

- **Statutory Insurance Scheme Levy (SIS levy)** – covers the estimated costs of the administration of the *Motor Accident Insurance Act 1994*, the operation of the Motor Accident Insurance Commission (MAIC) and to provide funds for accident prevention and injury mitigation research
- **Hospital and Emergency Services Levy (HES 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, or may be, CTP claimants

- **Nominal Defendant Levy (ND levy)** – covers the estimated costs of the Nominal Defendant scheme which provides funds to pay for claims relating to uninsured (unregistered) or unidentified motor vehicles
- **Injury Insurance Scheme Levy (NIISQ levy)** – covers the estimated costs of the National Injury Insurance Scheme Queensland (NIISQ) which provides necessary and reasonable lifetime treatment, care and support for anyone who sustains an eligible serious personal injury in a motor vehicle accident in Queensland after 1 July 2016
- **Administration Fee** – payable to the Department of Transport and Main Roads (DTMR) for delivering administrative support to the CTP scheme.

Pursuant to the *Motor Accident Insurance Act 1994* the levies and administration fee to apply to CTP insurance premiums from 1 July 2020 are required to be fixed by regulation and the regulation must be made before 1 April 2020.

From 1 July 2020, the total levies and administration fee, including the Injury Insurance Scheme levy of \$90.50, will be \$126.60 per Class 1 vehicle (cars and station wagons), representing a 60 cent reduction from the previous financial year.

## 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 2020 by amending section 8 and Schedule 3 of the *Motor Accident Insurance Regulation 2018*
- fixing the levy for the National Injury Insurance Scheme, Queensland for the 2020-21 financial year to apply from 1 July 2020 by amending section 24 and Schedule 1 of the *National Injury Insurance Scheme (Queensland) Regulation 2016*.

## Consistency with policy objectives of authorising law

The *Motor Accident Insurance and Other Legislation (Administration Fee and Levies) Amendment Regulation 2020* is consistent with the main objectives of the *Motor Accident Insurance Act 1994* and the *National Injury Insurance Scheme (Queensland) Act 2016* including keeping the costs 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.

## 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

The levies and administration fee to apply to CTP insurance premiums from 1 July 2020 have been determined following consultation with:

- Queensland Health, Queensland Fire and Emergency Services and the Public Safety Business Agency in relation to the HES levy
- the State Actuary's Office in relation to the SIS and ND levies
- DTMR in relation to the administration fee.

The levy for the NIISQ for the 2020-21 financial year to apply from 1 July 2020 has been determined following consultation with:

- The NIISQ Chief Executive Officer (CEO); and the NIISQ Board, through the NIISQ CEO. Note the NIISQ Board having also consulted with Taylor Fry Consulting Actuaries
- the State Actuary's Office.

The *Queensland Government Guide to Better Regulation* provides for certain regulatory proposals to be excluded from further assessment if they meet a designated exclusion category. Regulatory proposals which vary fees in line with actuarially determined assessments are excluded from requiring regulatory impact analysis - category (i) of the agency-assessed exclusion categories.