

Motor Accident Insurance and Other Legislation (Administration Fee and Levies) Amendment Regulation 2022

Explanatory notes for SL 2022 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 (Administration Fee and Levies)
Amendment Regulation 2022*

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 objective of the *Motor Accident Insurance and Other Legislation (Administration Fee and Levies) Amendment Regulation 2022* (Amendment Regulation) is to fix the levies and administration fee to apply to Compulsory Third Party (CTP) insurance premiums from 1 July 2022 to 30 June 2023 by:

- amending section 8 and Schedule 3 of the *Motor Accident Insurance Regulation 2018* to fix the statutory insurance scheme levy, hospital and emergency services levy, Nominal Defendant levy and administration fee; and
- amending section 24 and Schedule 1 of the *National Injury Insurance Scheme (Queensland) Regulation 2016* to fix the injury insurance scheme levy.

The levies and the administration fee are fixed on a flat fee basis relative to the applicable motor vehicle class.

The reason for fixing the levies and administration fee is to enable the efficient collection of funds (via CTP insurance premiums) necessary to support the cost of delivering different components of the CTP scheme and to fund the National Injury Insurance Scheme, Queensland (NIISQ).

The levies and administration fee applicable to CTP insurance premiums are outlined below.

- **Statutory insurance scheme levy** – funds the estimated cost of administering the MAI Act, including the operation of the Motor Accident Insurance Commission and to provide funds for accident prevention and injury mitigation research.
- **Hospital and emergency services levy** – funds a reasonable proportion of the estimated cost of providing public hospital and emergency services to people injured in motor vehicle accidents who are, or may be, CTP claimants.
- **Nominal Defendant levy** – funds the estimated cost to the Nominal Defendant in managing and funding compensation claims from people injured as a result of the negligent driving of an uninsured or unidentified vehicle.
- **Injury insurance scheme levy (NIISQ levy)** – funds the estimated cost of the NIISQ to provide necessary and reasonable lifetime treatment, care and support to people who sustain 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 for delivering administrative support for the CTP scheme.

Pursuant to the *Motor Accident Insurance Act 1994* (MAI Act), the levies and administration fee to apply to CTP insurance premiums from 1 July 2022 are required to be fixed by regulation and the regulation must be made by 31 March 2022.

Pursuant to the *National Injury Insurance Scheme (Queensland) Act 2016* (NIISQ Act), the NIISQ levy to apply to CTP premiums from 1 July 2022 is also required to be fixed by regulation and the regulation must be made by 31 March 2022.

From 1 July 2022, the total levies and administration fee, including the NIISQ levy of \$116.60, will be \$144.00 per Class 1 vehicle (cars and station wagons). In total, this represents an increase of \$4.20 (or three per cent) from the previous financial year.

Achievement of policy objectives

The Amendment Regulation achieves the policy objective of fixing the levies and the administration fee to be applied to CTP insurance premiums for 2022-23 to help fund the cost of agencies delivering the different components of the CTP scheme and to fund the NIISQ.

Consistency with policy objectives of authorising law

The Amendment Regulation is consistent with the policy objectives of the authorising laws which provide for the fixing of levies and the administration fee, including keeping the cost of CTP insurance at a level that 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 cost of delivering different components of the CTP scheme and to fund the delivery of the NIISQ.

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 2022 have been determined following consultation with:

- Queensland Health, Queensland Fire and Emergency Services and the Queensland Police Service, in relation to the health and emergency service levy;
- the State Actuary's Office in relation to the statutory insurance scheme levy and Nominal Defendant levy;
- the National Injury Insurance Agency, Queensland in relation to the NIISQ levy; and
- the Department of Transport and Main Roads in relation to the administration fee.

The levy for the NIISQ for the 2022-23 financial year has been determined following consultation with the NIISQ actuary and 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.