

# Motor Accident Insurance (Administration Fee and Levies) and Other Legislation Amendment Regulation 2024

Explanatory notes for SL 2024 No. 28

made under the

*Motor Accident Insurance Act 1994*

*National Injury Insurance Scheme (Queensland) Act 2016*

## General Outline

### Short title

*Motor Accident Insurance (Administration Fee and Levies) and Other Legislation Amendment Regulation 2024*

### 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 (Administration Fee and Levies) and Other Legislation Amendment Regulation 2024* (Amendment Regulation) is to:

- fix the levies and administration fee to apply to compulsory third party (CTP) insurance premiums from 1 July 2024 to 30 June 2025
- fix the levy for the National Injury Insurance Scheme, Queensland (NIISQ) for the 2024–25 financial year to apply from 1 July 2024
- make minor administrative amendments to rectify outdated references.

The levies and 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 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 *Motor Accident Insurance Act 1994* (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 (HES 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 MAI Act, the levies and administration fee to apply to CTP insurance premiums from 1 July 2024 are required to be fixed by regulation and the regulation must be made by 31 March 2024.

Pursuant to the *National Injury Insurance Scheme (Queensland) Act 2016*, the NIISQ levy to apply to CTP premiums from 1 July 2024 is also required to be fixed by regulation and the regulation must be made by 31 March 2024.

From 1 July 2024, the total levies and administration fee, including the NIISQ levy of \$123.80, will be \$147.60 per Class 1 vehicle (cars/station wagons). In total, this represents no change from the previous financial year, with a \$4.80 increase to the NIISQ levy fully offset by a \$4.80 reduction in the HES levy. All other CTP levies and the administration fee will remain flat.

The Amendment Regulation also makes minor technical amendments. The purpose of this is to rectify outdated references.

## Achievement of policy objectives

The Amendment Regulation achieves the policy objectives 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
- amending section 24 and Schedule 1 of the *National Injury Insurance Scheme (Queensland) Regulation 2016* to fix the NIISQ levy
- making minor amendments to section 29 of the *Motor Accident Insurance Regulation 2018* to rectify outdated references.

## **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 CTP levies and administration fee to apply from 1 July 2024 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 Services levy
- the State Actuary's Office in relation to the Statutory Insurance Scheme levy and the Nominal Defendant levy
- the Department of Transport and Main Roads in relation to the Administration Fee.

The NIISQ levy for the 2024–25 financial year has been determined following consultation with the NIISQ Agency, the NIISQ actuary and the State Actuary's Office.

An Impact Analysis Statement has been completed that identifies that the Amendment Regulation is not subject to regulatory impact assessment requirements under the *Queensland Government Better Regulation Policy* as it relates to standard fee variations, in line with, or below a government endorsed indexation factor or actuarially determined assessments.