

# Personal Injuries Proceedings Indexation Notice 2024

Explanatory notes for SL 2024 No. 90

Made under the

*Personal Injuries Proceedings Act 2002*

## General Outline

### Short Title

*Personal Injuries Proceedings Indexation Notice 2024*

### Authorising law

Section 75A of the *Personal Injuries Proceedings Act 2002*

### Policy objectives and the reasons for them

Section 75A of the *Personal Injuries Proceedings Act 2002* (PIP Act) provides for the annual indexation of monetary amounts for the *declared costs limit*, *lower offer limit* and *upper offer limit*. These limits are the monetary thresholds used in the PIP Act to determine whether legal costs are recoverable under the Act.

Prior to 1 July 2024, these monetary amounts were indexed by the making of a regulation prescribing the amounts which would apply for each new financial year. On 1 July 2024, the PIP Act will be amended to implement a new process for the annual indexation of these amounts by Ministerial notice instead of by regulation. The formula by which the indexation of these amounts is calculated (the percentage change in average weekly earnings between the current financial year and the last financial year) will remain the same.

The policy objective of the *Personal Injuries Proceedings Indexation Notice 2024* (PIP Indexation Notice) is to implement the new indexation process by fixing the indexed amounts for the declared costs limit, lower offer limit and upper offer limit for the 2024-25 financial year.

### Achievement of policy objectives

The PIP Indexation Notice, which commences on 1 July 2024, achieves the policy objective by fixing the indexed amounts for the declared costs limit, lower offer limit and upper offer limit for the 2024-25 financial year.

The PIP Indexation Notice also includes, for information only, the monetary amounts applying to periods prior to 1 July 2024 which were previously prescribed in the *Personal Injuries Proceedings Regulation 2014*.

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

The PIP Indexation Notice is consistent with the policy objectives of the PIP Act, which provides for the annual indexation of monetary amounts for the declared costs limit, lower offer limit and upper offer limit.

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

The PIP Indexation Notice is not inconsistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

The benefit of the PIP Indexation Notice is that it simplifies the annual indexation process for the monetary amounts for the declared costs limit, lower offer limit and upper offer limit under the PIP Act. There are no costs associated with implementation of the PIP Indexation Notice.

## **Consistency with fundamental legislative principles**

The PIP Indexation Notice is consistent with fundamental legislative principles.

## **Consultation**

As the new indexation process is purely machinery in nature (ie. the formula by which the indexation of the monetary amounts under the PIP Act is calculated has not changed), consultation on the PIP Indexation Notice was not considered necessary.