



Queensland

Motor Accident Insurance Amendment Regulation (No. 1) 2013

Explanatory Notes for SL 2013 No. 29

made under the

Motor Accident Insurance Act 1994

General outline

Short title

Motor Accident Insurance Amendment Regulation (No. 1) 2013.

Authorising law

Sections 14A and 100 of the Motor Accident Insurance Act 1994

Policy objectives and the reasons for them

The objective of this Regulation amendment is to fix the levies and administration fee that will apply to Compulsory Third Party (CTP) insurance policies from 1 July 2013.

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

- **Hospital and Emergency Services Levy** – designed to cover a reasonable proportion of the estimated cost of providing public hospital and public emergency services for people injured in motor vehicle accidents using such services who are CTP claimants or potential CTP claimants.

- **Nominal Defendant Levy** – provides funds to pay for claims relating to uninsured or unidentified vehicles.
- **Statutory Insurance Scheme Levy** – provides funds for the operating cost of the Motor Accident Insurance Commission in the administration of the *Motor Accident Insurance Act 1994*.
- **Administration Fee** – paid to the Department of Transport and Main Roads for work done in the administration of the scheme.

The levies and administration fee are required to be fixed by regulation annually and in order to comply with legislative timeframes, the regulation must be made before 1 April 2013.

Achievement of policy objectives

The objective is achieved by amending section 8 and Schedule 3 of the *Motor Accident Insurance Regulation 2004* to update the administration fee and levies applicable under this legislation.

Consistency with policy objectives of authorising law

The Regulation amendment is consistent with the main objectives of the *Motor Accident Insurance Act 1994* including to keep the cost of CTP insurance at a level the average motorist can afford. The total increase in levies and administration has been determined in line with Queensland Treasury and Trade's forecast Consumer Price Index (CPI), and represents an increase of 80 cents per Class 1 policy.

Inconsistency with policy objectives of other legislation

There is no known inconsistency with policy objectives of other legislation.

Benefits and costs of implementation

There is no cost to Government associated with these amendments however they will provide increased funding to Queensland Health, the Department of Community Safety through an increase in the Health and Emergency Services levy. The Department of Transport and Main Roads and the Motor Accident Insurance Commission will also receive additional funding through anticipated growth in registered vehicle numbers. The costs to

motorists as a result of this amendment are minimal and are determined in line with Queensland Treasury and Trade's forecast CPI and represent an increase of 80 cents per Class 1 policy on the current year's levies and fee.

Consistency with fundamental legislative principles

The amendments do not conflict with fundamental legislative principles.

Consultation

Consultation was undertaken with Queensland Health and the Department of Community Safety in regards to the Hospital and Emergency Services Levy; Queensland State Actuary for determining the Nominal Defendant Levy; and the Department of Transport and Main Roads in regards to the administration fee.

Queensland Treasury and Trade's Regulatory Reform Branch was consulted regarding the need for a Regulatory Assessment Statement.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Queensland Treasury and Trade.

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