

Motor Accident Insurance Indexation Notice 2025

Explanatory notes for SL 2025 No. 49

made under the

Motor Accident Insurance Act 1994

General Outline

Short title

Motor Accident Insurance Indexation Notice 2025

Authorising law

Section 100A of the *Motor Accident Insurance Act 1994*

Policy objectives and the reasons for them

Section 100A of the *Motor Accident Insurance Act 1994* (MAI 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 to determine whether legal costs are recoverable under the MAI Act.

Provisions in the MAI Act require the Minister to make a notice for the financial year fixing the amounts as the declared costs limit, lower offer limit and upper offer limit. The amount fixed for a limit is to be the amount last fixed by the Minister for the limit adjusted by the percentage change in average weekly earnings (as defined under section 4 of the MAI Act) between the current financial year and the last financial year and rounded to the nearest 10 dollars (rounding one-half upwards).

The policy objective of the *Motor Accident Insurance Indexation Notice 2025* (MAI Indexation Notice) is to fix the indexed amounts for the declared costs limit, lower offer limit and upper offer limit for the 2025–26 financial year.

Achievement of policy objectives

Australian Bureau of Statistics data indicates that the average weekly earnings amount applying as of 1 July 2025 is \$1,953.70. This represents an annual increase of 5.91 per cent from the 1 July 2024 average weekly earnings figure (\$1,844.70) which has been applied to each monetary limit last fixed by the Minister.

The MAI Indexation Notice achieves the policy objective by applying the relevant increase to the declared costs limit, lower offer limit and upper offer limit for the 2025–26 financial year.

Consistency with policy objectives of authorising law

The MAI Indexation Notice is consistent with the main objects of the MAI Act, that is to encourage the speedy resolution of personal injury claims resulting from motor vehicle accidents and to keep the costs of compulsory third party motor vehicle insurance at a level the average motorist can afford.

Inconsistency with policy objectives of other legislation

The MAI Indexation Notice is not inconsistent with the policy objectives of other legislation. It provides for the indexation of monetary amounts consistent with other State laws relating to common law damages for personal injury.

Benefits and costs of implementation

The MAI Indexation Notice, in providing for the indexation of the declared costs limit, the lower offer limit and the upper offer limit, maintains the relative value of these amounts over time in line with wages growth. There are no costs associated with implementation of the MAI Indexation Notice.

Consistency with fundamental legislative principles

The MAI Indexation Notice is consistent with fundamental legislative principles.

Consultation

No external stakeholder consultation was undertaken as the Minister is required under section 100A of the MAI Act to make the Ministerial notice and the notice is consistent with other State laws relating to common law damages for personal injury.

In accordance with the *Queensland Government Better Regulation Policy*, no further regulatory impact analysis was required as the MAI Indexation Notice is a regulatory proposal of a machinery nature.