

# Lifetime Care and Support (Catastrophic Injuries) LTCS Levy Determination 2014 (No 1)

**Notifiable instrument NI2014–205**

made under the

**Lifetime Care and Support (Catastrophic Injuries) Act 2014, section 84 (Determination of LTCS levy)**

## EXPLANATORY STATEMENT

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Section 84 of the *Lifetime Care and Support (Catastrophic Injuries) Act 2014* (LTCS Act) requires the Lifetime Care and Support Commissioner of the Australian Capital Territory (LTCS Commissioner) to determine the LTCS levy for a contribution period.

Section 81(6) of the *Legislation Act 2001* applies to this instrument. The ACT's current vehicle registration renewal processes, whereby renewal notices are issued in advance, necessitate the determination of the LTCS levy prior to the commencement of the LTCS Act on 1 July 2014.

Under the LTCS Act, the LTCS Commissioner is required to assess the amount needed to be contributed to the LTCS Fund in each contribution period so that the scheme is fully funded. Specifically, the required fund contribution is an amount that will:

- fully fund the present and likely future liabilities of the LTCS Scheme under part 6 (Payments under LTCS scheme) of the LTCS Act;
- meet the payments needed to be made from the fund other than payments under part 6 of the LTCS Act; and
- provide for any other matters the LTCS Commissioner should, in all the circumstances, prudently make provision for in relation to liabilities under part 6 of the LTCS Act.

The LTCS levy is the amount that the LTCS Commissioner considers will result in the required fund contribution for the contribution period and has been determined in accordance with the report of an independent actuary.

The contribution period applicable for this instrument is the financial year from 1 July 2014 to 30 June 2015. The levy will apply to all CTP policies issued under the *Road*

*Transport (Third-Party Insurance) Act 2008* that commence during the contribution period.

This instrument determines the LTCS levy payable on 12 month, 6 month and 3 month CTP policies.

This is the first LTCS levy determination made under the *Lifetime Care and Support (Catastrophic Injuries) Act 2014* with the LTCS Scheme commencing on 1 July 2014. The LTCS Commissioner has determined this initial LTCS levy based on limited available data. In the early stages of the scheme there will be a high degree of uncertainty with respect to the number of participants and the costs of administering the scheme. The LTCS Commissioner will reassess the levy amount, on the basis of updated advice of an independent actuary, after the scheme is operational and scheme data becomes available.