

Australian Capital Territory

# Motor Accident Injuries Levy Determination 2019 (No 1)

Disallowable instrument DI2019–234

made under the

**Motor Accident Injuries Act 2019, section 490 (Determination of motor accident levy)**

## EXPLANATORY STATEMENT

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The *Motor Accident Injuries Act 2019* (MAI Act) establishes a new motor accident injuries (MAI) scheme. The MAI Act also establishes the MAI commission, a Territory authority, as regulator for the new scheme with the commission funded by a levy. The MAI commission replaces the existing Compulsory Third-Party (CTP) Regulator with increased functions.

Section 490 of the MAI Act specifies that the Minister must determine a levy (the motor accident levy) that the Minister believes on reasonable grounds will fully fund the MAI commission's functions, including staffing. The motor accident levy of \$16.00 per annum per MAI policy (except for veteran, vintage and historic registration scheme vehicles that have a \$4.00 levy per annum per MAI policy) is the amount that has been estimated to fully fund the MAI Commission.

The CTP Regulator levy is currently applicable to a CTP policy issued under the *Road Transport (Third-Party Insurance) Act 2008*. With the commencement of the MAI scheme the motor accident levy will replace the CTP Regulator levy. The motor accident levy is payable in relation to a MAI policy issued with effect from 1 February 2020.

The levy applies for a full year policy and is pro-rated for shorter registration periods. As such, this instrument determines the motor accident levy payable on 12 month, 6 month and 3 month MAI policies.

This instrument makes clear that if a MAI policy is cancelled on the cancellation of the registration of the motor vehicle to which the policy relates, the levy will be refunded on a proportionate basis (section 491 of the MAI Act).