

Impact Analysis Statement

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| Lead department | Department of Justice and Attorney-General |
| Name of the proposal | New indexation process under the <i>Civil Liability Act 2003</i> , <i>Motor Accident Insurance Act 1994</i> and <i>Personal Injuries Proceedings Act 2002</i> |
| Submission type | Summary Impact Analysis Statement |
| Title of related legislative or regulatory instrument | <i>Civil Liability Indexation Notice 2024</i> <i>Motor Accident Insurance Indexation Notice 2024</i> <i>Personal Injuries Proceedings Indexation Notice 2024</i> <i>Civil Liability and Other Legislation Amendment Regulation 2024</i> |
| Date of issue | June 2024 |

| Proposal type | Details |
|--------------------------------------|--|
| Minor and machinery in nature | <p>The <i>Civil Liability Act 2003</i> (CL Act), <i>Motor Accident Insurance Act 1994</i> (MAI Act) and <i>Personal Injuries Proceedings Act 2002</i> (PIP Act) each provide for the annual indexation of various costs and offer limits and monetary caps and thresholds relating to damages for personal injury.</p> <p>Amendments to the CL Act, MAI Act and PIP Act commencing on 1 July 2024 implement a new annual indexation process for the costs and offer limits and monetary caps and thresholds under those Acts.</p> <p>Under the new indexation process, the relevant amounts will be indexed for each new financial year by the making of a Ministerial notice, rather than by the making of a regulation as was previously the case.</p> <p>The new indexation process will simplify the indexation of these amounts by avoiding the need to progress a regulation to the Governor in Council each year. 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.</p> <p>Ministerial notices have been made under the CL Act, MAI Act and PIP Act to fix the indexed amounts under those Acts for the 2024-25 financial year. The notices are the <i>Civil Liability Indexation Notice 2024</i>, <i>Motor Accident Insurance Indexation Notice 2024</i> and <i>Personal Injuries Proceedings Indexation Notice 2024</i>.</p> <p>The Ministerial notices also include, for information only, the amounts applying to periods prior to 1 July 2024 (historical amounts) which were previously prescribed in the <i>Civil Liability Regulation 2014</i> (CL Regulation), <i>Motor Accident Insurance Regulation 2018</i> (MAI Regulation) and <i>Personal Injuries Proceedings Regulation 2014</i> (PIP Regulation).</p> <p>The Ministerial notices will be amended before 1 July each year to include the indexed amounts for the new financial year. This will allow both the historical amounts, and the indexed amounts for future years, to be consolidated in the one notice for ease of use by courts, legal practitioners, insurers and the public.</p> |

| Proposal type | Details |
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| | <p>Consequential amendments have also been made to the CL Regulation, MAI Regulation and PIP Regulation to remove the entries for those historical amounts which will now appear in the Ministerial notices. The amendments are contained in the <i>Civil Liability and Other Legislation Amendment Regulation 2024</i>.</p> <p>This proposal is machinery in nature, to implement a new process for the annual indexation of amounts under the CL Act, MAI Act and PIP Act, and does not result in a substantive change to regulatory policy or new impacts on business, government or the community.</p> |

Signed



Michael Carey
Under Treasurer

Date: 5/6/2024



Jasmina Joldić PSM
Director-General

Date: 10.06.2024



Cameron Dick MP
Deputy Premier
Treasurer
Minister for Trade and Investment

Date: 7 June, 2024



Yvette D'Ath MP
Attorney-General and Minister for Justice
Minister for the Prevention of Domestic and Family Violence

Date: 14 June 2024