Impact Analysis Statement

Details

Lead department	Department of Justice
Name of the proposal	Sunset review of the *Personal Injuries Proceedings Regulation 2014*
Submission type	Summary IAS
Title of related legislative or regulatory instrument	*Personal Injuries Proceedings Regulation 2025*
Date of issue	August 2025

What is the nature, size and scope of the problem? What are the objectives of government action?

The *Personal Injuries Proceedings Act 2002* (PIP Act) regulates particular claims for and awards of damages based on a liability for personal injuries. The main purpose of the PIP Act is to facilitate the ongoing affordability of insurance through appropriate and sustainable awards of damages for personal injury.

The PIP Act achieves this purpose generally by:

- providing a procedure for the speedy resolution of claims for damages for personal injury to which the PIP Act applies;
- promoting settlement of claims at an early stage wherever possible;
- ensuring that a person may not start a proceeding in a court based on a claim without being fully prepared for resolution of the claim by settlement or trial;
- putting reasonable limits on awards of damages based on claims;
- minimising the costs of claims;
- regulating inappropriate advertising and touting; and
- establishing measures directed at eliminating or reducing the practice of giving or receiving consideration for a claim referral or potential claim referral or soliciting or inducing a claimant to make a claim (claim farming), in contravention of the PIP Act.

The *Personal Injuries Proceedings Regulation 2014* (PIP 2014 Regulation) supports the operation of the PIP Act by prescribing:

- the information to be included in, and the documents to accompany, a notice of claim;
- the records and sources of information a notice of claim authorises a person or a person's insurer to have access to;
- the requirements for a claimant's certificate;
- various timing requirements for the making of, and responding to, a notice of claim;
- an explanatory statement that must be provided with an offer of settlement made by a respondent to a claimant who is not represented by a lawyer; and
- costs payable in the event certain offers of settlement are accepted.

The PIP 2014 Regulation expires on 31 August 2025 under section 56A of the *Statutory Instruments Act 1992* and must be replaced before that date if its provisions are to remain in force.

Queensland Government

What options were considered?
A sunset review of the PIP 2014 Regulation was undertaken in accordance with the *Queensland Government Better Regulation Policy* to evaluate the continuing need for, effectiveness and efficiency of the regulation. Three options were considered as part of the review: • **Option 1:** Allowing the PIP 2014 Regulation to expire without introducing a new regulation. • **Option 2:** Replacing the PIP 2014 Regulation without changes. • **Option 3:** Replacing the PIP 2014 Regulation with changes.
What are the impacts?
Option 1: Allowing the PIP 2014 Regulation to expire without introducing a new regulation. If Option 1 were adopted, the policy objectives of the PIP Act would no longer be supported with respect to: • providing a procedure for the speedy resolution of claims for damages for personal injury; • promoting settlement of claims at an early stage where possible; and • establishing measures directed at eliminating or reducing claim farming. Option 1 would result in the notice of claim forms having no prescribed required information, accompanying documents or authorisation. This would result in respondents to personal injury claims not receiving the information they require to properly investigate the claim made against them. Consequently, respondent insurers will spend more time and resources to investigate claims and collect information, which could lead to increased insurance premiums in Queensland. Option 1 would also result in claimant's certificates no longer being required to be provided with a notice of claim. Claimant's certificates were introduced as a measure to reduce claim farming, and if removed, would likely result in an increase in claim farming in Queensland. Option 1 would also result in various time periods no longer being prescribed. This may result in claims taking longer to resolve and increased legal costs incurred by respondent insurers, which could consequently increase insurance premiums in Queensland. Option 1 would also result in the removal of the limit on the costs payable in the event certain offers of settlement are accepted. This would result in respondent insurers having to pay more of a claimant's legal costs in certain circumstances. This would likely have the consequential effect of increased insurance premiums in Queensland. For these reasons, Option 1 is not supported. **Option 2:** Replacing the PIP 2014 Regulation without changes. If Option 2 were adopted, the PIP 2014 Regulation would be replaced in its current form without any changes. This would result in stakeholder feedback received in response to the review not being incorporated into the new regulation (see below). Option 2 would also not allow for the new regulation to be updated to improve clarity, remove redundant provisions and reflect current drafting practice. For these reasons, Option 2 is not supported. **Option 3:** Replacing the PIP 2014 Regulation with changes. Option 3 is the recommended option (see below).
Who was consulted?
Key government and non-government stakeholders were consulted as part of the sunset review of the PIP 2014 Regulation. A consultation paper was prepared to assist stakeholders with providing feedback in relation to the review. Stakeholders consulted were broadly supportive of replacing the PIP 2014 Regulation with a new regulation in substantially the same terms.

What is the recommended option and why?
<u>Option 3:</u> <u>Replacing the PIP 2014 Regulation with changes.</u> Option 3 replaces the PIP 2014 Regulation with the PIP 2025 Regulation, which reproduces the PIP 2014 Regulation in substantially the same terms, subject to the following changes to: • improve readability and reflect current drafting standards, including by clarifying information in some provisions and moving provisions about particulars for a notice of claim to Schedule 1; • clarify the documents required to be provided with each part of a notice of claim; • specify that certain particulars are not required for an abuse claim, healthcare claim or dependency claim; • clarify that a claimant may provide an image or diagram of the scene of the incident, if appropriate; • provide that the authority to access documents and other sources of information relevant to a claim authorises the Motor Accident Insurance Commission to release records relevant to the claim; and • provide a process for a notice of claim to be given by an electronic communication to the proposed respondent under section 44(5) of the PIP Act. Option 3 is consistent with the views expressed by stakeholders as part of the sunset review of the PIP 2014 Regulation. For this reason, Option 3 is the recommended option.

Impact Assessment

Replacing the PIP 2014 Regulation with the PIP 2025 Regulation is expected to have beneficial financial impacts for parties to personal injuries claims, courts and insurance holders in Queensland.

Firstly, the information, accompanying documents and authorisation for a notice of claim will continue to be prescribed. This will ensure that potential respondents have the information needed to properly investigate the claim made against them in a timely manner. This is expected to promote speedy resolution of claims, minimise legal costs incurred by parties and keep insurance premiums low.

Secondly, the various timeframes within the PIP Act will continue to be prescribed, which is also expected to encourage quick resolution of claims, minimise legal costs incurred by parties and keep insurance premiums low.

Additionally, the limit on costs payable in the event certain offers of settlement are accepted will be maintained, which is expected to assist in keeping legal costs in personal injury claims low and encourage parties to settle claims before court proceedings commence.

It is not expected that there will be any compliance or government costs associated with the making of the PIP 2025 Regulation.

	First full year	First 10 years
Direct costs – *Compliance costs*	Not quantifiable	Not quantifiable
Direct costs – *Government costs*	Not quantifiable	Not quantifiable

Signed

Sarah Cruickshank
Director-General

Date: 7/8/25

Deb Frecklington MP
Attorney-General and Minister for Justice
Minister for Integrity

Date: 14/8/25.