

22 September 2017

Mr Andrew Barr, MLA  
Chief Minister  
GPO Box 1020,  
Canberra ACT 2601  
[barr@act.gov.au](mailto:barr@act.gov.au)

Dear Minister,

**Re: the Engagement process of Compulsory Third Party (CTP) Insurance in the ACT**

Mr Phil Calvert, the National President of the Australian Physiotherapy Association (APA), has asked that I reply to your invitation to the APA to provide input regarding the Compulsory Third Party (CTP) Insurance Scheme in the Australian Capital Territory (ACT) for the inclusion in the deliberations of the citizen's jury.

Our feedback is attached.

We welcome this opportunity to provide input.

Please do not hesitate to contact Ms Jenny Robertson, our NSW/ACT Branch Coordinator, in the first instance if you would like to discuss the issues further. Ms Robertson can be contacted at [jenny.robertson@physiotherapy.asn.au](mailto:jenny.robertson@physiotherapy.asn.au) or +61 2 8748 1505.

We look forward to working with the ACT community and its Government on these reforms.

Yours sincerely,



Diana Perriman  
ACT Branch President

cc Phil Calvert  
National President

## **Citizen's jury on CTP**

### **Submission by the Australian Physiotherapy Association**

**September 2017**

**Authorised by:**

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## 1 Introduction

The Australian Physiotherapy Association (APA) welcomes this opportunity to respond and offer feedback for inclusion in the citizen's jury's consideration of what a Compulsory Third Party (CTP) Insurance Scheme in the Australian Capital Territory (ACT) should look like.

## 2 We suggest five overall objectives

We suggest that there are five overall objectives for the CTP Insurance Scheme in the ACT.

We believe that this Insurance Scheme needs to be:

- Fair / just
- Responsive
- Good value
- Expert / wise.

## 3 Being fair

We believe that fairness has three key aspects:

- Being fair about who is eligible for compensation
- Being fair about what people receive as compensation
- Sending a clear message to people who are reckless or intentionally cause harm.

### 3.1 Fairness with respect to eligibility

Currently, CTP will only cover a person who suffers an injury in a car accident if someone else is found to be at fault. Motor vehicle accidents happen for any number of reasons. If an accident is the driver's own fault, for instance a driver hits a kangaroo, the driver should be covered under the CTP scheme in the ACT.

Road users injured by non-motorised vehicles (e.g. bicycles, skateboards) and motorised vehicles falling outside the registration and insurance system (e.g. dirt or off-road bikes, motorised scooters) need to be treated equitably.

Victoria, Tasmania and the Northern Territory have no-fault CTP schemes which provide cover for all injuries from motor vehicle accidents regardless of who is responsible.

We believe that the CTP Scheme in the ACT needs to cover no-fault road accidents, including those caused by non-motorised vehicles and motorised vehicles outside the registration and insurance system. It needs to cover cyclists and people injury in bicycle accidents.

### 3.2 Fairness with respect to entitlements

Currently, people covered by the CTP Insurance Scheme can claim for:

- Treatment and care costs
- Economic loss, and
- Non-economic loss.



Injury schemes that require the claimant to prove fault to access benefits, combine high cost with uncertain and often inappropriate benefits. Injured road users in states that operate no-fault schemes have access to more predictable benefits. No-fault schemes lead to a fairer allocation of resources amongst all injured road users, regardless of the need to prove fault.

The nature, amount and duration of the defined benefits could be set by law and cover treatment and care costs. The common law benefits which are negotiated between the claimant and insurer, within overall caps set by legislation, could be for economic and non-economic loss.

It is important to ensure that children are treated fairly. Children need to have access to common law benefits equivalent to those of adults.

Jurisdictions with no-fault schemes provide a more carefully assessed range of benefits across the lifespan, as they seek to meet the care and support costs of injured people as they arise and in line with individual care needs. This provides financial security to scheme participants.

However *defined* benefits may mean *reduced* benefits over the course of a lifetime. This is particularly the case with a lump sum payments.

Weekly payments allow for a base payment of compensation, sufficient to fund the daily living costs and healthcare expenses of the injured road user. This system of payment enables injured road users to have an ongoing supply of funds for their care and support needs.

Research indicates that persons receiving lump sum payments generally had poorer health outcomes and worse return to work rates than persons receiving periodic payments.<sup>1</sup> This inequity should be addressed and models of period payments included in the ACT's CTP Scheme.

### 3.3 Fairness with respect to recklessness or malice

The retention of access to common law benefits allows the community to send a signal that it will not tolerate recklessness or malice. People who are reckless or intend harm could be penalised through the common law (in addition to any criminal or other action).

We believe that the CTP Scheme in the ACT needs to combine a no-fault, defined benefits scheme with common law benefits retained in parallel.

## 4 Being responsive

There is a substantial evidence base to show that the longer a worker remains absent from work, the more likely they are to remain off work on a long-term or permanent basis.<sup>2</sup> Early intervention for injured people improves health, social, financial, interpersonal and intrapersonal outcomes by promoting recovery and preventing long-term disability and work loss.<sup>3,4</sup>

Long delays between injury and settlement can occur in fault-based schemes. The need to move swiftly into treatment is one reason we support a CTP Scheme with defined benefits.

The ACT's CTP Insurance Scheme needs to include a model of a capped, but 'ex gratia' payment of health care costs between the notification of the claim and the acceptance of the claim. Apart from

providing a vehicle for rapid uptake of rehabilitation, this approach provides the Insurance Scheme with an incentive to finalise review of the eligibility for cover in a prompt manner.

One key to responsiveness is to ensure that the initial authorisation for treatment to begin is efficient and uncomplicated. For a large proportion of people, the injury will be relatively minor, and the 'certification' could occur at their physiotherapist.

A second key to responsiveness is to ensure that the screening process at the point of claiming includes what we know about predicting poor health outcomes. Building this research evidence into the beginning of the process will help the scheme to be responsive to people in a way that is proportionate to their needs.

Although the imperative to be responsive may suggest the need for only two management streams, we would caution against this approach. The obvious streams include one for the many people with minor injuries and another for people with catastrophic injuries (who are covered by different arrangements). However, the literature on schemes like this suggests that it would be easy for a relatively small number of people to 'fall into the gutter' between these two streams. These people will have more complex needs, and less predictable outcomes. They will need a little more vigilance and support. A really key objective for the ACT's CTP Scheme must be to identify and support these people. There is clear evidence that these people can be identified by early 'triage'; and the ACT's CTP Scheme needs to make it an objective to ensure that this occurs.

It is essential that the ACT's CTP Scheme establish a well-funded and effective mechanism for collaboration across health care providers where this is necessary for the injured person's care. Other Australian schemes continue to under-emphasise this role, to the detriment of the injured person, the scheme and the community.

Thus, a third key to responsiveness is to have a reliable trigger for review. We know that human error may result in some needs of people being missed; that the needs of some people will change; and that, sometimes, treatment will not be as effective as we all expect. The Scheme needs a sound trigger for review.

## 5 Delivering good value

The ACT's CTP Insurance Scheme needs to be efficient. The higher the proportion of scheme costs which go directly to meeting the injured claimants' benefits, the more efficient the scheme. At present, much of the expenditure of at-fault schemes goes towards administration, legal costs and insurer profit margins. For example, in the ACT 26% of costs are for legal costs, in contrast to Queensland having 4.8% spend in this area and New South Wales having 18.5% spend in this area.

In order to deliver good value, the 'red tape' involved in running the CTP Insurance Scheme needs to be low.

The 2016 report from Cumpston Sargeant illustrates this.<sup>5</sup> It indicates that the use of Motor Accident Notification Form (MANF) claims has increased and that these claims allow "fast track" access to medical and treatment costs for lower cost claims, without the need for formal claim lodgement and without the requirement for legal representation. This reports indicates that the

higher frequency of MANF claims and their lower average cost has contributed to the ability for insurers to lower premium rates.

Good value will also come from careful allocation of resources. Stinting on the costs of quality care is a false economy. Insurance Scheme funded services need to be built on high quality research evidence.

Few Insurance Schemes fund telehealth services, despite the growing body of evidence that they can provide high value.<sup>6</sup> Additionally, such schemes can unwittingly create undesirable incentives (e.g. for rehabilitation to occur in hospital when it can occur in the community).<sup>7</sup> Since ACT Health delivers healthcare to many rural areas, mechanisms for funding telehealth strategies should be included in a future scheme.

Allocating resources effectively includes designing ways in which the CTP Insurance Scheme will support the *prevention* of road accidents.

## 6 Ensuring an expert and wise approach

It is essential that the ACT CTP Scheme monitor performance and effectiveness.<sup>8</sup>

CTP Insurance Schemes, overall, provide very little information about the health outcomes achieved and the costs of the care provided. It is essential that the design of the ACT CTP Insurance Scheme include mechanisms that provide meaningful data to key professional bodies so that quality improvement of the services provided can occur. The Australian Physiotherapy Association is in active discussions with other jurisdictions with a view to ensuring that clinically meaningful information is provided regularly by insurance schemes.

The discipline of deriving meaningful trends and variations, and reporting them both within the Scheme and to the public (including professional stakeholders) needs to be a key objective of the ACT's CTP Insurance Scheme.

## 7 Conclusion

We are committed to helping to improve the ACT's CTP system and provide a fairer and more affordable scheme for injured road users. This submission reflects our eagerness to collaborate with the ACT government to support provision of safe and cost-effective access to high quality services.



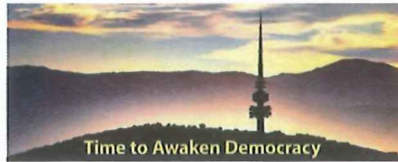
## Australian Physiotherapy Association

The Australian Physiotherapy Association (APA) is the peak body representing the interests of Australian physiotherapists and their patients. The APA is a national organisation with state and territory branches and specialty subgroups. The APA corporate structure is one of a company limited by guarantee. The organisation has approximately 12,000 members, some 70 staff and over 300 members in volunteer positions on committees and working parties. The APA is governed by a Board of Directors elected by representatives of all stakeholder groups within the Association.

The APA vision is that all Australians will have access to quality physiotherapy, when and where required, to optimise health and wellbeing. The APA has a Platform and Vision for Physiotherapy 2020 and its current submissions are publicly available via the APA website [www.physiotherapy.asn.au](http://www.physiotherapy.asn.au).

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- <sup>1</sup> PriceWaterhouseCoopers. (2003). Health, Return to Work, Social and Financial Outcomes associated with different compensation pathways in NSW: Quantitative Survey of Claimants. NSW WorkCover. NSW, p3
  - <sup>2</sup> Chariton E. J. (2005). Chapter 23 - Work Rehabilitation. Core Curriculum for Professional Education in Pain (3<sup>rd</sup> ed). The International Association for the Study of Pain Press, Seattle, p1
  - <sup>3</sup> Ellis, N. (2001). Work and Health Management in Australia and New Zealand. Oxford University Press, page 3
  - <sup>4</sup> WorkCover NSW (2008). Improving outcomes: Integrated, active management of workers with soft tissue injury
  - <sup>5</sup> Cumpston Sarjeant [https://apps.treasury.act.gov.au/data/assets/pdf\\_file/0007/850255/ACT-CTP-scheme-review-16-Mar-2016.pdf](https://apps.treasury.act.gov.au/data/assets/pdf_file/0007/850255/ACT-CTP-scheme-review-16-Mar-2016.pdf) (Accessed 1 September 2017)
  - <sup>6</sup> Hwang R Bruning J Morris NR et al. Home-based telerehabilitation is not inferior to a centre-based program in patients with chronic heart failure – a randomised trial. Journal of Physiotherapy 2017; 63(2):101-7. (for example)
  - <sup>7</sup> Naylor JM Hart A Mittal R et al. The value of inpatient rehabilitation after uncomplicated knee arthroplasty – a propensity score analysis. Med J Aust 2017;207(6):250-5. (For example)
  - <sup>8</sup> Finity. A Best Practice Workers' Compensation Scheme. Report for the Insurance Council of Australia. May 2015. <http://www.insurancecouncil.com.au/assets/report/May%202015%20-%20a%20Best%20Practice%20Workers%20Compensation%20Scheme.pdf> (Accessed 1 September 2017)





## Canberra Alliance for Participatory Democracy

[secretary@canberra-alliance.org.au](mailto:secretary@canberra-alliance.org.au)

29 September 2017

Mr Andrew Barr  
ACT Chief Minister

Dear Mr Barr

Thank you for your letter of 24 August describing the process and timelines for the CTP Citizen's Jury and inviting our input.

We welcome the government's intention to use more deliberative engagement processes in the ACT and welcome the Citizens' Jury on Compulsory Third Party insurance for that reason.

As explained in our joint media statement with ACTCOSS [www.actcoss.org.au/news-events/media-release/media-release-citizens-juries---let's-get-it-right](http://www.actcoss.org.au/news-events/media-release/media-release-citizens-juries---let's-get-it-right) the Canberra Alliance for Participatory Democracy (CAPaD) believes it is very important that as a community we experiment and learn how to ensure wise decision making in our democracy.

To that end we also worked with ACTCOSS to draft a set of principles – and indicators – to ensure that deliberative mechanisms, and in particular this first Citizens' Jury, are trialed in a robust, respectful and informed way.

These [Draft Principles for the Trial of Citizens' Juries in the ACT](#) are included in the Statement and also below (Attachment A). They ask for fairness, accountability, neutrality and an evidence based approach with clear markers of success. They are designed to support wider discussions about what makes a deliberative process successful – in terms of community acceptance, transferability and how we might use them in the future – as well as to provide a sound basis for evaluation.

We ask that the draft principles be provided to both the Jury and the Stakeholder Reference Group so that they can begin to reflect on the process itself, and what can be learnt from it. If either would like more information we would be happy to meet.

We will also be doing our best to encourage wider discussion about the “success factors” – and hope that you will do the same.

Yours sincerely

Beth Slatyer, Co-Convenor  
Canberra Alliance for Participatory Democracy (CAPaD)

## Attachment A

### **Draft Principles/Criteria for the Trial of Citizens' Juries in the Australian Capital Territory**

The ACT Council of Social Service (ACTCOSS) and the Canberra Alliance for Participatory Democracy (CAPaD) share these principles/criteria for the trial of citizens' juries in the ACT, which have been identified through work towards a shared agenda on engagement with thought leaders and stakeholders.

The ACT Government has indicated that it wants to trial citizens' juries in the ACT. This is something CAPaD has been advocating for, and fits within the broader objective of improving participation shared by both ACTCOSS and CAPaD.

Citizens' juries are one tool that can be used to improve democracy in the ACT. We all need to learn when and how they can add value and what will deliver trust in the process. For those reasons it is essential that any trial is conducted in a way that supports the whole community to explore, share and learn together how best to use citizens' juries in the ACT.

The following principles have been developed to ensure citizens' juries are trialled in a robust, respectful and informed way:

- 1 The drivers, process, output/recommendations and response processes must be transparent and enable accountability.

*Indicator: Sponsors provide a public description of the purpose and process (including how the public will be kept informed and how recommendations will be considered and responded to), before the jury is convened so everyone knows what is proposed.*

- 2 Commitment is made to build broad community confidence in the process.

*Indicator: The public is regularly updated on progress and receives prompt responses to questions about the process.*

- 3 Sponsors/decision makers have not already made up their minds – they are open to advice and consider it seriously.

*Indicator: There are no fixed positions on the outcome on the public record from sponsors and decision makers. The public is kept informed, the jury is given access to available points of contesting advice and government includes the advice in their considerations and responds publicly.*

- 4 Sponsors and decision makers back the process and commit to responding.

*Indicator: Sponsors provide a public description of the purpose and process (including how the public will be kept informed and how recommendations will be considered and responded to), before the jury is convened so everyone knows what is proposed.*

5 Recruitment and facilitation are conducted by neutral actors with a transparent process.

*Indicator: Community feedback trusts the process.*

6 A fair spread of evidence/information is provided and drawn upon, and sufficient time is allowed for deliberation.

*Indicator: Juror and community feedback confirms that a fair spread of information was provided, and sufficient time was allowed.*

7 It is clear how the deep deliberative process relates to broader engagement.

*Indicator: Sponsors provide a public description of the purpose and process (including how the public will be kept informed and how recommendations will be considered and responded to), before the jury is convened so everyone knows what is proposed.*

8 Evaluation, learning and feedback is demonstrated to the community to be used to continuously improve the process.

*Indicator: A public and transparent evaluation process is used to gather and share information about the success and failures of the trial.*

We believe that a stronger decision making process requires government to see itself as a good steward of community engagement.

This includes shared learning, improved knowledge and capability, not only an ability to use different mechanisms. Going forward we will be laying out some broader guiding principles for community engagement and participation in ACT governance.



TO WHOM IT MAY CONCERN.

IN JANUARY 2017 I WAS INVOLVED IN A MV ACCIDENT IN THE A.C.T. MY INJURIES WERE BROKEN LEFT LEG, BROKEN RIGHT ANKLE AND ABRASIONS. WAS TRANSPORTED TO T.C.H. WHERE THE LEG & ANKLE WERE SCREWED & PLATED.

AFTER TEN WEEKS IN HOSPITAL, WAS DISCHARGED TO HOME WHERE I LIVE BY MYSELF. AM UNABLE TO WORK & HAVE PHYSIOTHERAPY 5 DAYS A WEEK. CONSTANT PAIN IN LEFT LEG, RIGHT ANKLE, LEFT HIP, BACK & NECK.

AT 66 YEARS OF AGE FULL RECOVERY & RETURNING TO THE WORK FORCE LOOKS UNLIKELY. THE PERSON THAT RAN INTO ME TO MY KNOWLEDGE HAS NOT BEEN CHARGED.

MY RIGHTS ARE BEING VIOLATED. COMPENSATION, LOSS OF INCOME, EXTREME PAIN, MEDICAL EXPENSES & ASSISTANCE. HAVE PAID C.T.P SINCE 1965 WITH NO CLAIMS. I'M SURE IF MR BARR WAS IN MY SITUATION HE WOULD GET THE ASSISTANCE HE WANTED & NEEDED. I DON'T

REMEMBER VOTING FOR ANDREW BARR MAKING HIM JUDGE, JURY, & HANGMAN. IF HE CAN'T RUN THE A.C.T GOVERNMENT WITHOUT TAKING AWAY PEOPLE'S RIGHTS, MAYBE HE SHOULD CONSIDER WORKING FOR WOOLIES, COLES OR ALDI AS A CHECK OUT CHICK.

DON'T MAKE ME PAY OR BE PENALISED FOR THE ACTIONS OF SOMEBODY ELSE.

D Kennell





**ACT Government**

Published by ACT Government [?] · 26 August at 09:15 · 🌐

We're hosting a citizens' jury on compulsory third-party (CTP) insurance. We think it could be improved to better protect Canberrans. Have your say here at [www.yoursay.act.gov.au](http://www.yoursay.act.gov.au) #yoursayonCTP



2,925 people reached

Boost post

👍 Like

💬 Comment

➦ Share



👤 Sarah Owen, Mark Hallam and 5 others

Top comments ▼



**Paul Thomas** Why not get comprehensive insurance to .... Is it true 7% of the cars on the ACT roads have no registration or CTP ?

Like · Reply · Message · 26 August at 11:24 · Edited



**ACT Government** Hi Paul, thanks for posting.

It's a great question. Your comprehensive insurance will only cover damage to someone else's property (for example, their car) if you are at fault for an accident. Comprehensive insurance will also cover damage to your vehicle if you were at fault for the accident, but it will not cover you or anyone else for injury. This fact sheet has a useful summary of different kinds of insurance: <http://bit.ly/2wgN3ZU>

We're not sure where the 7% figure is from, but the number of unregistered vehicles in the ACT at any point in time is not a reflection of the number of vehicles driving on our roads without registration or CTP insurance. It is not an offence to let your vehicle registration lapse. It is an offence to drive an unregistered vehicle on ACT roads and the penalties imposed are considerable.

The Nominal Defendant Fund provides a safety net to meet the costs of third-party personal injury claims made by injured parties where the at fault vehicle does not have a CTP insurance policy because it is unregistered, or the injured party is unable to identify the driver and vehicle who caused the accident. Further information on Nominal Defendant claims can be found on their website: <http://bit.ly/2wmez6V>

Let us know if you need more information. Cheers.

Like · Reply · Commented on by Teone Nutt (?) · Just now · Edited



Write a reply...



# ACT CTP: A fair, affordable safety net for all

*A no-fault scheme with statutory benefits for all who are injured, and access to common law benefits for those with serious injuries who are not at fault, will be affordable and fairer for all.*

If you experience injuries as a result of a car accident, the financial, social and emotional impacts can be significant. That's why the ACT has had a Compulsory Third Party (CTP) scheme since 1948.

However, the current CTP scheme does not cover everyone injured in a motor accident and it can take up to two years or longer for an injured person to receive their benefits. The ACT also has some of the most expensive premiums in Australia.

The primary purpose of CTP was originally to protect drivers from personal liability if they caused injury to another person. But today, it's also important to prioritise injury recovery support for all people injured in motor accidents.

There is an opportunity to shift the ACT culture from compensation to recovery support for all injured people, and to provide a greater proportion of benefits to those most seriously injured.

This paper outlines NRMA Insurance's vision for a fair, efficient and affordable personal injury scheme that will meet the needs of the ACT community into the future.



## Challenges of the current CTP scheme

### 'Fault' is used to determine access to benefits

In fault-based CTP schemes such as the ACT, a person's eligibility for benefits and the extent of benefits available is dependent on whether they caused or contributed to the accident.

The need to prove fault can delay claims and often leads to lengthy, costly legal disputes.

Motor accidents are often the result of multiple factors and some of these factors can be outside of a driver's control. Therefore, NRMA Insurance believes that fault is not the most appropriate mechanism for determining eligibility for benefits.

Adequate support is not always provided to those who need it most, such as a person who may have caused the accident or a person involved in an accident which was not anyone's fault. For example, where a kangaroo jumps onto the road and collides with a vehicle.

Additionally, unlike other CTP schemes in Australia, the ACT CTP scheme does not provide automatic cover for children injured in motor accidents where no one was at fault.

We believe the ACT CTP scheme should be broadened to offer further support to people who are at fault in motor accidents and people injured in accidents where no one was at fault.

### It's prone to unpredictable claims costs

A fault based scheme with unrestricted common law damages, such as that in the ACT, is unpredictable because who is entitled to benefits and what benefits they are



entitled to is not certain. This results in a significant proportion of the CTP premium going towards legal and investigation costs. Reducing this uncertainty would lower these costs.

### Premiums are expensive

ACT motorists pay some of the highest premiums in Australia for this compulsory insurance. The main reasons for this are the benefits structure in the ACT CTP scheme and the court-based model which is used to resolve claims.

### A shift in purpose

The purpose of CTP was originally to protect drivers from personal liability if they injured another person on the road. However, today, it's also important to prioritise the recovery of people injured in motor accidents.

There is an opportunity to shift the culture in the ACT to recovery support for all injured road users, and to provide a greater proportion of benefits to those most seriously injured.

#### Case study – Mia and Craig

*Mia was driving home from the supermarket. A child ran out from the side of the road on her left. Mia swerved to avoid the child and collided with Craig who was riding his motorbike in the opposite direction. Both Mia and Craig sustained serious injuries in the accident.*

#### Craig – 25 year old building contractor

- Craig had to wait three months for the insurer to determine liability. This delayed his access to medical care and rehabilitation. Delayed or limited access to treatment can result in poorer outcomes and longer recovery times.
- Because of his injuries, Craig was unable to earn any income for four months. He had to put all his expenses on his credit card, resulting in a large personal debt and interest costs.

#### Mia – 37 year old mum of two, part-time office worker

- Mia's benefits are limited to \$5,000, even though the medical expenses are around \$10,000 because she is 'at fault'
- Mia was unable to work for a month because of her injuries. She cannot receive any benefits for her time off work.
- As Mia's injuries are not considered 'catastrophic', she is not eligible to receive treatment and care through the Lifetime Care and Support Scheme.

### The solution

Because CTP is a compulsory insurance, the CTP scheme needs to balance affordability with supporting health recovery in the community.

**NRMA Insurance supports the development of a no-fault scheme with statutory benefits for all who are injured and access to common law benefits for those with serious injuries who are not at fault.**

- **No-fault** – all injured people will receive immediate support if they need it.
- **Statutory benefits** – enables injured people fast access to benefits to pay for treatment and medical expenses, and to get back to their normal activities (such as work) as soon as possible. It also provides benefits for lost income, allowing injured people to continue to meet living expenses while recovering from their injuries.
- **Common law access** – people with serious injuries, who are not at fault can access a lump sum payment to cover future economic loss, medical treatment, permanent impairment and care.

Those with catastrophic injuries, regardless of fault, still have access to the Lifetime Care & Support scheme for all their care and support needs.

Legal representation is part of any personal injury scheme. However, to ensure the efficiency and affordability of the scheme, and that the majority of the compensation dollar goes to the injured person, there must be limits and caps on legal expenses.

### Benefits to road users

#### Support and better outcomes for all injured people

A no-fault scheme provides recovery support to all people injured in motor accidents. Motor accidents can arise from a momentary lapse in concentration and are sometimes outside a driver's control.

The introduction of statutory benefits would improve outcomes for injured people through fast access to benefits to help them pay for treatment and medical expenses and by supporting them financially when they are unable to work because of their injuries.



### More support for the most seriously injured

We believe that all injured road users should receive statutory benefits, however the proportion of benefits provided to those most seriously injured should be increased.

Preserving common law benefits for the seriously injured who were not at fault increases the proportion of benefits provided to those who are most seriously injured. It also ensures that those most seriously injured are adequately compensated for their loss, taking into account their individual circumstances and preserves their entitlement to seek a lump sum for future needs.

### Faster claims resolution

By decreasing lengthy liability disputes through a no-fault scheme, we can reduce the time it takes to resolve a claim and speed up access to necessary medical care to optimise recovery.

### More affordable premiums

Affordability of CTP premiums is important. ACT CTP customers are often willing to change insurers for a very small price difference.

Statutory benefits reduce the uncertainty of compensation claims and the incentives for fraudulent claims or exaggeration, which allows insurers to reduce the cost of premiums. With more certainty in the scheme, pricing and profits will be able to be predicted more accurately, ensuring both premium price and insurer profits are at an acceptable level.

Thresholds and caps on certain damages can also reduce costs in the scheme. For example:

- regulation of legal costs
- prescribed rates for treatment
- a threshold for access to general damages (sometimes known as non-economic loss or “pain and suffering”)
- limits on compensation available for care and assistance which has been provided by friends and family.

### Benefits for all

#### Focus on recovery, not on compensation

By focusing the ACT CTP scheme on recovery, rather than compensation, we can better support those with minor injuries to get back to their families, communities and workplaces sooner.

For claims finalised in 2016-17, over three quarters of claims (77%) were for minor injuries such as whiplash. Medical research indicates that injured people who sustain minor soft tissue injuries should continue to undertake their usual activities to optimise their recovery.

A focus on recovery, coupled with a broadening of the scheme to provide coverage to injured road users, regardless of fault, also reduces the burden on public health systems.

#### Ready to meet future needs

Trials of driverless vehicles are already occurring on Australian roads. The advent of driverless vehicles will only make a fault-based scheme more complex given an accident could technically be caused by a vehicle manufacturer or a telecommunications provider. A no-fault scheme provides certainty that all people injured in motor accidents, whether caused by human error or mechanical fault are entitled to the same compensation and care.

#### Case study – Remember Mia and Craig?

In a no-fault scheme with statutory benefits for all injured people, both Mia and Craig would be eligible for statutory benefits:

- To help them pay all necessary medical costs, so they can recover sooner and get back to work and their normal lives
- To replace their lost income, for a specified period, giving them both confidence that they could continue to meet living expenses while recovering from their injuries.
- Craig would also receive additional benefits because he was not at fault and suffered serious injuries.

#### Making your world a safer place

IAG is the largest general insurer in Australia and New Zealand. Under the NRMA Insurance brand, IAG was the sole provider of CTP insurance in the ACT for over 30 years from 1980 until 2013. The market is now shared by a number of insurance brands, including NRMA Insurance.