

## Compulsory Third-Party (CTP) Insurance Scheme Objectives in other Australian Jurisdictions

The tables below provides information on the key legislated objectives that can be found in the law that govern CTP insurance arrangements and the payment of compensation for persons who are injured as a result of a motor vehicle accident in Australian jurisdictions.

**Table A** identifies some common legislated objectives by themes that are shared across a number of CTP insurance schemes that operate in Australian jurisdictions.

**Table B** summarises some additional Scheme objectives that have been legislated in a number of jurisdictions. A copy of the relevant sections of the law for Queensland, Victoria, New South Wales (both the current and proposed new law), Tasmania and ACT are also attached.

## Legislated objectives of Compulsory Third Party Insurance Schemes in Australia

[illegible]



**Table B: Additional stated objectives of CTP Schemes in Australia**

<b>NSW</b>	1. To encourage early treatment and rehabilitation to achieve optimum recovery from injuries and to provide for the future needs of those with ongoing disabilities <sup>1</sup>	2. To keep premiums affordable by limiting compensation payable for non-economic loss for minor injuries, while having full compensation for severe injuries with ongoing impairment & disabilities.	3. To deter fraud in connection with CTP insurance	4. When administering the <i>Motor Accident Compensation Scheme</i> : (a) the overall objective is to benefit all members of the motoring public by keeping the costs of the scheme reasonable and premiums affordable; (b) the importance that the application of the law relating to the assessment of damages should acknowledge the intention to restrict the non-economic loss for minor injuries; and (c) that stability and predictability regarding the likely future number and cost of claims require consistent and stable application of the law.
<b>VIC</b>	1. To reduce the cost to the community of compensation for transport accidents	2. To provide suitable and just compensation for persons who are injured or die as a result of transport accidents	3. To manage transport accident scheme as effectively, efficiently & economically as possible	4. To ensure that the transport accident scheme emphasises accident prevention & effective rehabilitation
<b>QLD</b>	1. To improve the system of CTP insurance and scheme of statutory insurance for uninsured & unidentified vehicles in QLD			
<b>TAS</b>	1. To provide for payment of compensation for personal injury resulting from a motor accident	2. To enable contribution of funds to programs a) designed to reduce incidence of motor accidents; and b) to enable better and more effective care and treatment of persons injured through a motor accident.	3. Minimisation of costs of the CTP Scheme for the community	4. Reduction in the frequency and severity of injuries from road accidents.
<b>ACT</b>	1. To improve the system of CTP insurance and scheme for statutory insurance for uninsured & unidentified vehicles in ACT			

**Footnotes**

<sup>1</sup> Under the new law, this objective is modified with particular reference to the need to encourage early treatment and care to optimise recovery of injured persons and to maximise their return to work; including the aim of providing early and ongoing financial support for persons injured in motor accidents.

Queensland



# **MOTOR ACCIDENT INSURANCE ACT 1994**

**Act No. 9 of 1994**

*Division 2—General functions of Commission***Commission's functions****10.(1)** The Commission's functions are to—

- (a) supervise insurers operating under the statutory insurance scheme and issue, suspend or withdraw licences for insurers operating under the scheme; and
- (b) establish and revise prudential standards with which licensed insurers must comply; and
- (c) monitor the management of claims by insurers under the statutory insurance scheme and, in particular, the insurers' compliance with their obligations under Part 4 (Claims); and
- (d) recommend the premiums payable for CTP insurance policies under this Act, the levies payable on the premiums, and the administration fee; and
- (e) monitor the availability, adequacy and use of rehabilitation services for claimants who suffer personal injury in motor vehicle accidents and develop programs, resources and guidelines to overcome deficiencies in the services; and
- (f) fund, or help in other ways, the provision of rehabilitation services for claimants injured in motor vehicle accidents; and
- (g) provide funds for research and education in the field of rehabilitation and the provision of rehabilitation services; and
- (h) provide funds for research into the causes of motor vehicle accidents and their prevention; and
- (i) carry out, or contribute to, advertising campaigns to increase public awareness of the causes of motor vehicle accidents, and of the economic, social and personal cost of motor vehicle accidents; and
- (j) promote and, if funds are available, make financial contributions towards—
  - (i) the regular inspection of motor vehicles to ensure safety and roadworthiness; and

- (ii) the training of drivers (including the provision of defensive driving courses); and
- (iii) training in first aid; and
- (iv) the provision, maintenance and support of the infrastructure necessary to reduce the incidence of motor vehicle accidents and minimise the results; and
- (k) monitor the costs of insurers on claims; and
- (l) develop and coordinate strategies to identify and combat fraud in or related to motor vehicle accident claims; and
- (m) keep the industry deed under review and make recommendations for its amendment; and
- (n) keep the statutory insurance scheme generally under review and make recommendations for its amendment.

(2) In determining prudential standards for licensed insurers, the Commission must have proper regard to the prudential standards that apply to the insurance industry under Commonwealth legislation.

### **Advisory Committee**

11.(1) The Commission may establish an advisory committee to advise on the exercise of the Commission's statutory functions.

(2) The matters on which the Advisory Committee may provide advice are to be decided by the Commission with the approval of the Minister.

(3) The advisory committee is to consist of persons appointed by the Minister on the Commission's nomination.

(4) The terms on which members of the advisory committee hold office are to be decided by the Minister.

**Authorised Version No. 140**  
**Transport Accident Act 1986**

**No. 111 of 1986**

Authorised Version incorporating amendments as at  
14 December 2016

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- (d) the person's training, skills and experience;  
and
- (e) the age of the person.

## **8 Objects of Act**

The objects of this Act are as follows—

- (a) to reduce the cost to the Victorian community of compensation for transport accidents;
- (b) to provide, in the most socially and economically appropriate manner, suitable and just compensation in respect of persons injured or who die as a result of transport accidents;
- (c) to determine claims for compensation speedily and efficiently;
- (d) to reduce the incidence of transport accidents;
- (e) to provide suitable systems for the effective rehabilitation of persons injured as a result of transport accidents.

S. 8(b)  
amended by  
No. 84/1994  
s. 18.

## **9 Act to bind the Crown**

This Act binds the Crown not only in right of Victoria but also, so far as the legislative power of the Parliament permits, the Crown in all its other capacities.



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|---|--|
| (4) A person may assume that a document has been duly executed by the Commission if the document appears to have been signed in accordance with subsection (3).                     | S. 10(4)<br>substituted by<br>No. 28/2005<br>s. 30(2). |
| (5) All courts, judges and persons acting judicially must take judicial notice of the signatures on a document which appears to have been signed in accordance with subsection (3). | S. 10(5)<br>inserted by<br>No. 28/2005<br>s. 30(2).    |

**10A TAC no longer a reorganising body**

S. 10A  
inserted by  
No. 84/2000  
s. 6.

- (1) The Commission is by virtue of this section declared not to be a reorganising body.
- (2) The Commission is a statutory corporation under this Act and is not subject to the **State Owned Enterprises Act 1992**.
- (3) The Order of the Governor in Council made under section 7(1) of the **State Owned Enterprises Act 1992** and published in the Government Gazette on 6 May 1993 is revoked.
- (4) This section does not affect the validity, status, operation or effect of any act, matter or thing done by or under the Order revoked under subsection (3).

**11 Objectives of the Commission**

The objectives of the Commission are as follows—

- (a) to manage the transport accident compensation scheme as effectively, efficiently and economically as possible;
- (b) to ensure that appropriate compensation is delivered in the most socially and economically appropriate manner and as expeditiously as possible;

S. 11(e)  
inserted by  
No. 26/2000  
s. 25(5),  
amended by  
No. 67/2013  
s. 649(Sch. 9  
item 32(3)).

S. 11(f)  
inserted by  
No. 26/2000  
s. 25(5),  
amended by  
No. 73/2016  
s. 6.

- (c) to ensure that the transport accident scheme emphasises accident prevention and effective rehabilitation;
- (d) to develop such internal management structures and procedures as will enable it to perform its functions and exercise its powers effectively, efficiently and economically;
- (e) to manage claims under the **Accident Compensation Act 1985** or the **Workplace Injury Rehabilitation and Compensation Act 2013** as an authorised agent of the Victorian WorkCover Authority as effectively, efficiently and economically as possible;
- (f) if appointed as an agent of a self-insurer under section 392 of the **Workplace Injury Rehabilitation and Compensation Act 2013**, to carry out the functions and powers of a self-insurer as effectively, efficiently and economically as possible.

## 12 Functions of the Commission

- (1) The functions of the Commission are the following—
  - (a) to administer the Transport Accident Fund;
  - (b) to receive and assess, and accept or reject, claims for compensation;
  - (c) to defend proceedings relating to claims for compensation;
  - (d) to pay compensation to persons entitled to compensation;
  - (e) to determine transport accident charges;
  - (f) to collect and recover transport accident charges;



New South Wales

# Motor Accidents Compensation Act 1999 No 41

## Status information

### Currency of version

Historical version for 16 November 2010 to 31 October 2011 (generated 2 November 2011 at 12:08).

Legislation on the NSW legislation website is usually updated within 3 working days.

### Provisions in force

All the provisions displayed in this version of the legislation have commenced. For commencement and other details see the Historical notes.

### Does not include amendments by:

Motor Accidents Compensation Amendment Act 2006 No 17, Sch 1 [12] (not commenced)  
Transport Legislation Amendment Act 2011 No 41 (not commenced)

### See also:

Statute Law (Miscellaneous Provisions) Bill (No 2) 2011

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- or jointly or in common with any other person is entitled to the immediate possession of the vehicle, or
- (b) in the case of a motor vehicle that is unregistered, the *owner* is any person who solely or jointly or in common with any other person is entitled to the immediate possession of the vehicle, or
  - (c) in the case of a motor vehicle to which a trader's plate is fixed, the *owner* is the trader to whom the trader's plate is issued.
- (2) For the purposes of this section, a person is taken not to have ceased to have possession or, as the case may be, not to have acquired possession of a motor vehicle where a change of possession occurs by way of:
- (a) any hiring (not being a hiring under a hire-purchase agreement) or lending of the vehicle for a period not exceeding 3 months, or
  - (b) the passing of the possession of the vehicle to a bailee for the purpose of sale or disposal or for the purpose of alteration, repair, renovation, garaging, storing or other like purpose not involving the use or operation of the motor vehicle for the benefit of the bailee.
- (3) In the application of any provision of this Act to and in respect of a motor vehicle to which a trader's plate is fixed (whether or not with the authority of the trader), a reference in any such provision to the owner is to be read as a reference to the trader, and a reference to the third-party policy in relation to that motor vehicle is to be read as a reference to the third-party policy in relation to motor vehicles to which the trader's plate is fixed (whether or not with the authority of the trader).

#### **5 Objects of Act** (cf s 2A MAA; Sch 1 [1] of Act No 132 of 1998)

- (1) The objects of this Act are as follows:
- (a) to encourage early and appropriate treatment and rehabilitation to achieve optimum recovery from injuries sustained in motor accidents, and to provide appropriately for the future needs of those with ongoing disabilities,
  - (b) to provide compensation for compensable injuries sustained in motor accidents, and to encourage the early resolution of compensation claims,
  - (c) to promote competition in the setting of premiums for third-party policies, and to provide the Authority with a prudential role to ensure against market failure,
  - (d) to keep premiums affordable, recognising that third-party bodily insurance is compulsory for all owners of motor vehicles registered in New South Wales,

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- (e) to keep premiums affordable, in particular, by limiting the amount of compensation payable for non-economic loss in cases of relatively minor injuries, while preserving principles of full compensation for those with severe injuries involving ongoing impairment and disabilities,
  - (f) to ensure that insurers charge premiums that fully fund their anticipated liability,
  - (g) to deter fraud in connection with compulsory third-party insurance.
- (2) It must be acknowledged in the application and administration of this Act:
- (a) that participants in the scheme under this Act have shared and integrated roles with the overall aim of benefiting all members of the motoring public by keeping the overall costs of the scheme within reasonable bounds so as to keep premiums affordable, and
  - (b) that the law (both the enacted law and the common law) relating to the assessment of damages in claims made under this Act should be interpreted and applied in a way that acknowledges the clear legislative intention to restrict the level of non-economic loss compensation in cases of minor injuries, and
  - (c) that:
    - (i) the premium pool from which each insurer pays claims consists at any given time of a finite amount of money, and
    - (ii) insurers are obliged under this Act to charge premiums that will fully fund their anticipated liability, and
    - (iii) the preparation of fully funded premiums requires a large measure of stability and predictability regarding the likely future number and cost of claims arising under policies sold once the premium is in place, and
    - (iv) the stability and predictability referred to in subparagraph (iii) require consistent and stable application of the law, and
  - (d) that insurers, as receivers of public money that is compulsorily levied, should account for their profit margins, and their records should be available to the Authority to ensure that accountability.

#### **5A (Repealed)**

#### **6 Interpretation and application of Act by reference to objects (cf s 2B MAA)**

- (1) In the interpretation of a provision of this Act or the regulations, a construction that would promote the objects of this Act or the provision is to be preferred to a construction that would not promote those objects.



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# Motor Accident Injuries Act 2017 No 10

Current version for 4 April 2017 to date (accessed 13 October 2017 at 13:31)

Long title

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New South Wales

An Act to establish a new scheme of compulsory third-party insurance and provision of benefits and support relating to the death of or injury to persons as a consequence of motor accidents; and for other purposes.

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## Motor Accident Injuries Act 2017 No 10

Current version for 4 April 2017 to date (accessed 13 October 2017 at 13:30)

Part 1 > Division 1.1 > Section 1.3

### 1.3 Objects of Act (cf ss 5 and 6 MACA)

- (1) This Act establishes a new scheme of compulsory third-party insurance and provision of benefits and support relating to the death of or injury to persons as a consequence of motor accidents.
- (2) For that purpose, the objects of this Act are as follows:
  - (a) to encourage early and appropriate treatment and care to achieve optimum recovery of persons from injuries sustained in motor accidents and to maximise their return to work or other activities,
  - (b) to provide early and ongoing financial support for persons injured in motor accidents,
  - (c) to continue to make third-party bodily insurance compulsory for all owners of motor vehicles registered in New South Wales,
  - (d) to keep premiums for third-party policies affordable by ensuring that profits achieved by insurers do not exceed the amount that is sufficient to underwrite the relevant risk and by limiting benefits payable for minor injuries,
  - (e) to promote competition and innovation in the setting of premiums for third-party policies, and to provide the Authority with a role to ensure the sustainability and affordability of the compulsory third-party insurance scheme and fair market practices,
  - (f) to deter fraud in connection with compulsory third-party insurance,
  - (g) to encourage the early resolution of motor accident claims and the quick, cost effective and just resolution of disputes,
  - (h) to ensure the collection and use of data to facilitate the effective management of the compulsory third-party insurance scheme.
- (3) It must be acknowledged in the application and administration of this Act:
  - (a) that participants in the third-party insurance scheme have shared and integrated roles with the overall aim of benefiting all members of the motoring public by keeping the overall costs of the scheme within reasonable bounds so as to keep premiums affordable and of promoting the recovery and return to work or other activities of those injured in motor accidents, and
  - (b) that the law (both the enacted law and the common law) relating to the assessment of damages in claims made under this Act should be interpreted and applied in a way that acknowledges the clear legislative intention to restrict access to non-economic loss compensation to serious injuries, and
  - (c) that:
    - (i) the premium pool from which each insurer pays motor accident claims consists at any given time of a finite amount of money, and
    - (ii) the setting of appropriate premiums requires a large measure of stability and predictability regarding the likely future number and cost of claims arising under policies sold once the premium is in place, and
    - (iii) that stability and predictability require consistent and stable application of the law, and

Results: Document Types="*Acts, Amending Acts, SRs, Amending SRs*", Search In="*Title*", All Words="*Motor accidents (Liabilities and Compensation) Act 1973*", Point In Time="*13/10/2017*" match 71 of 71 provisions

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## Motor Accidents (Liabilities and Compensation) Act 1973

Version current from 19 September 2017 to date (accessed 13 October 2017 at 14:28)

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TASMANIA

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Results: Document Types="*Acts, Amending Acts, SRs, Amending SRs*", Search In="*Title*", All Words="*Motor accidents (Liabilities and Compensation) Act 1973*", Point In Time="*13/10/2017*" match 71 of 71 provisions

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## **Motor Accidents (Liabilities and Compensation) Act 1973**

Version current from 19 September 2017 to date (accessed 13 October 2017 at 14:26)

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### **3A. Objects of Act**

The objects of this Act are –

- (a) to provide for the payment of compensation in respect of personal injury resulting from a motor accident; and
- (b) to allow the contribution of funds to any or all of the following programs:
  - (i) programs designed to reduce the incidence of motor accidents in Tasmania;
  - (ii) programs designed to enable better and more effective care and treatment of persons who suffer personal injury as the result of a motor accident.



Australian Capital Territory

# **Road Transport (Third-Party Insurance) Act 2008**

**A2008-1**

**Republication No 27**

**Effective: 11 October 2017**

Republication date: 11 October 2017

Last amendment made by A2017-28



## Part 1.2                      Objects and important concepts

### 5A                      Objects

The main objects of this Act are—

- (a) to continue and improve the system of compulsory third-party insurance, and the scheme of statutory insurance for uninsured and unidentified vehicles, operating in the ACT; and
- (b) to promote competition in setting premiums for compulsory third-party insurance policies; and
- (c) to keep the costs of insurance at an affordable level; and
- (d) to provide for the licensing and supervision of insurers providing insurance under policies of compulsory third-party insurance; and
- (e) to encourage the speedy resolution of personal injury claims resulting from motor accidents; and
- (f) to promote and encourage, as far as practicable, the rehabilitation of people who sustain personal injury because of motor accidents; and
- (g) to establish and keep a register of motor accident claims to help the administration of the statutory insurance scheme and the detection of fraud; and
- (h) to promote measures directed at eliminating or reducing causes of motor accidents and mitigating their results.