

Second Reading Speech

Motor Accidents (Liabilities and Compensation) Amendment Bill 2003

Mr Speaker

In 2011, the Productivity Commission's inquiry into disability services in Australia recommended the creation of a National Disability Insurance Scheme.

The Commission also recommended a National Injury Insurance Scheme to provide lifetime care and support to persons who become catastrophically injured. The model proposed is that each jurisdiction of Australia has its own scheme, with agreed features, and all these schemes combined would constitute the National Injury Insurance Scheme.

The Commission recommended that this Scheme commence by ensuring that lifetime care and support is provided across Australia for those injured as a result of motor accidents.

At the December 2012 meeting of the Council of Australian Governments, it was agreed that all jurisdictions will endeavour to agree on minimum standards to provide no-fault lifetime care and support for people who are catastrophically injured in motor accidents.

At the subsequent Council of Australian Governments meeting in April 2013, it was announced that minimum national standards had been developed. Several states, including Tasmania, agreed to these standards.

It has also been agreed that if jurisdictions do not have a scheme in place that meets these minimum standards, all the costs for the care of a person who is catastrophically injured in a motor accident and is cared for under the National Disability Insurance Scheme must be met by the jurisdiction.

This is in contrast to the funding arrangements for the care of other disabled persons under the National Disability Insurance Scheme where, for each participating jurisdiction, the costs are shared between the Australian Government and that jurisdiction.

Tasmania's Motor Accidents Insurance Board scheme is established under the *Motor Accidents (Liabilities and Compensation) Act 1973*. It is a mature and efficient no-fault insurance scheme that provides comprehensive and high quality care and support to Tasmanian motorists who are involved in a motor vehicle accident. MAIB premiums are among the lowest in the country for the services provided.

The current arrangements, which include certain exclusions from the right to obtain medical and disability benefits in cases of unlawful behaviour, have been accepted by the community. These exclusions apply, for example, if the vehicle is not registered or if the vehicle is being used in the commission of a crime when the accident occurs.

Mr Speaker, the MAIB scheme meets most of the agreed standards. There are two areas, however, where some minor changes to the scheme can be made that will meet the agreed standards. If both changes are made, there will be little or no additional cost to the Motor Accidents Insurance Board or to the Government of Tasmania.

One minimum standard relates to the coverage of motor accident insurance schemes across jurisdictions, where it was agreed that each jurisdiction's scheme will cover people who are catastrophically injured in a motor accident in that jurisdiction.

This is not consistent with the current arrangements under the MAIB scheme and the Bill addresses this issue.

Firstly, in cases where Tasmanian residents are catastrophically injured in accidents involving MAIB-insured vehicles in some mainland jurisdictions, these persons are covered under the MAIB scheme but also under the statutory scheme in that jurisdiction.

It is not necessary for the MAIB to pay the full benefits if the person can receive some or all of those benefits under the local scheme.

This Bill therefore amends the Motor Accidents (Liabilities and Compensation) Act to require the Motor Accident Insurance Board to pay the scheduled benefits under the Act only to the extent that they are not payable under the law of the jurisdiction where the accident occurs.

This will ensure that Tasmanian residents will still receive the same level of benefits as if the accident has occurred in Tasmania, regardless of the state or territory where the accident occurs. These accidents are infrequent but this measure will provide some savings to the MAIB.

The second area of change involves residents injured in a motor accident in Tasmania. Currently, if a resident from another state or territory person is very seriously injured arising from a motor accident in Tasmania, the MAIB is only required to pay the scheduled benefits if such an accident involves a Tasmanian-registered vehicle. Some schemes in other jurisdictions only cover persons catastrophically injured in accidents in that jurisdiction.

An interstate resident very seriously injured in an accident involving single vehicle from interstate may therefore not be entitled to lifetime care under any motor accident scheme.

To address this issue, the Bill amends the Act to require the MAIB to be liable for medical, disability and counselling benefits to injured persons who require daily care arising from an accident involving an interstate registered vehicle, when no Tasmanian-registered vehicle is involved. The Board has advised me that the number of additional claims it can expect as a result of this change is very low.

The Act restricts access to some damages under common law for persons who are very seriously injured in a motor accident and receive lifetime care and support from the MAIB. These same restrictions in the Act apply to the interstate residents who will now receive lifetime care and support from the MAIB as a result of the extension of the scheme, and therefore no amendment to these provisions is needed.

Mr Speaker, the Bill ensures that the current exclusions in the Act also apply to accidents involving interstate vehicles. This is to ensure that residents in other states and territories very seriously injured in interstate vehicles have the same rights to the medical-related benefits as Tasmanian residents.

To satisfy all the minimum standards under the National Insurance Injury Scheme, Tasmania would have to agree to remove all exclusions. However, these exclusions are an important feature of the MAIB scheme. They retain the integrity of the MAIB as a commercial and low cost insurance business.

The removal of any exclusions would serve to encourage unlawful behaviour, including the non-registering of vehicles, and would increase the costs faced by the MAIB, and therefore the premiums paid by the owners of motor vehicles.

The Bill therefore does not contain any provisions that reduce the exclusions in the Act.

The Act allows the MAIB to recover from the owner of a motor vehicle the value of benefits paid by the Board to that person or other injured persons under some circumstances, including if the Motor Accidents Insurance Board premium has not been paid for the vehicle involved in the motor accident. The Bill allows the Board to recover the value of benefits paid by the Board to an injured person arising from an accident in Tasmania involving an interstate vehicle if that vehicle is not insured in the jurisdiction where it is normally used.

Mr Speaker, these amendments to the Motor Accidents (Liabilities and Compensation) Act will remove the current gap in coverage by extending the MAIB scheme to persons very seriously injured in accidents involving interstate vehicles, where no Tasmanian-registered vehicle is involved. At the same time, it will cease the current arrangements whereby Tasmanian residents are covered under two schemes in some mainland jurisdictions.

I commend the Bill to the House.