

NO-FAULT COMPENSATION, REPORT

1823. Mrs C.L. Edwardes to the Premier

I refer the Premier to *The West Australian* of 23 July 2003 and the article titled, 'State looks at no-fault compo' and ask -

- (a) has the Premier asked for a report on 'no fault' compensation;
- (b) if yes, what was the outcome of the report and will the report be tabled;
- (c) has any evaluation been conducted on the New Zealand scheme and how those costs would translate to Australia and in particular Western Australia;
- (d) is the Minister aware that the New Zealand scheme impacts on the payment levels of private insurance claims;
- (e) what are the 'social welfare and insurance savings' that were alluded to in the article;
- (f) how was it arrived at that these savings would occur;
- (g) was there any outcome or direction, on this issue, arriving out of the meeting of State Ministers held in Adelaide recently;
- (h) have any talks been conducted with 'stake holders' into this proposal;
- (i) if yes, what are the names and qualifications of the persons who attended; and
- (j) will this proposed system move the funding requirements, for Disability Services, from the State Government to the Federal Government?

Dr G.I. GALLOP replied:

- (a)-(c) At the request of the Ministerial Council on Insurance Issues and the Heads of Treasuries, the Insurance Issues Working Group established a Task Force to examine the issue of long-term care (LTC) for the catastrophically injured in Australia.
Stage 1 of the project involved:
 - collecting all available data on LTC in Australia, including numbers and classifications of cases and identification of costs;
 - determining whether that data can be collated into one comprehensive set; and
 - determining whether that comprehensive data set is adequate to be used as a basis for testing the impact of any changes to the delivery of LTC.Stage 1 of the project was completed with the actuarial assistance of PricewaterhouseCoopers.
- (d) Yes.
- (e) Stage 1 outlined potential benefits arising out of a no-fault scheme include reduced volatility and uncertainty, reduced need for reinsurance, reduced transaction and dispute costs, and more efficient use of compensation money (as opposed to double dipping).
- (f) PricewaterhouseCoopers analysed New South Wales data on the number of people that would be covered by such a scheme and the associated costs and extrapolated the data for Australia.
- (g) In Adelaide on 6 August 2003, the Ministerial Council considered a report on Stage 1 and agreed to proceed to a second stage. Stage 2 will involve collecting additional relevant data with a view to assessing options for a long-term care model for consideration by Ministers at their next meeting in February 2004 in Hobart.
- (h) Not at this preliminary stage of the examination.
- (i) Not applicable.
- (j) The Ministerial Council requested that all options be developed on the basis that there would be no net shifting of costs.