



Hon Andrew Fraser MP
Member for Mount Coot-tha



Queensland
Government

LAIRED UPON THE TABLE OF THE HOUSE

No.: 5208T4716

19 NOV 2008

MP: Hon. A. Fraser MP

Clerk's Signature: _____

Treasurer of Queensland

19/11/08

QTO-03773

18 NOV 2008

Mr Neil Laurie
The Clerk of the Parliament
Parliament House
Cnr Alice and George Streets
BRISBANE QLD 4000

Dear Neil,

Thank you for your letter of 8 October 2008 addressed to the Honourable John Mickel MP, Minister for Transport, Trade, Employment and Industrial Relations regarding petition number 1030-08 which advocates a change of Queensland's Compulsory Third Party (CTP) scheme to a no-fault compensation scheme. As CTP insurance falls within my portfolio responsibilities, your correspondence has been forwarded to me for response.

To protect the interests of road users, Queensland has enforced compulsory insurance for motor vehicle owners. The policy of insurance provides coverage for legal liability arising from the use of a motor vehicle. This requires negligence to be established in order to claim common law damages for personal injury.

Fault-based schemes operate in New South Wales, South Australia, Western Australia and the Australian Capital Territory. No-fault schemes feature in Victoria, Tasmania and the Northern Territory. Generally, a no-fault scheme provides broader statutory entitlements with varying access to common law.

Given negligence does not need to be established under a no-fault scheme there are more persons eligible for compensation. However, this broader entitlement must be weighed carefully against the higher premium cost to motor vehicle owners and/or the possibility of a reduced benefit structure to keep premiums at existing levels. The current CTP premium in Queensland for a family sedan ranges from \$293.80 to \$299. Depending on the jurisdiction, no-fault schemes compare with premiums that range from \$338 to \$436.55.

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An independent review of the CTP scheme has previously been commissioned by the Queensland Government. This was a comprehensive review; it considered the fundamentals of the scheme and sought broad community input. Having considered the various models, including the option of a no-fault scheme, the review committee recommended the retention of the existing fault-based common law scheme. The Government accepted all recommendations of the Committee.

While at-fault drivers are not covered for personal injuries by a standard CTP policy, most CTP insurers as a competition initiative, now provide limited at-fault cover in the form of driver protection insurance. While the scope of cover varies between insurers, policy holders have access to prescribed benefits in the form of lump sum payments for defined injuries. Where provided, this is at no additional charge to the motor vehicle owner.

The Government is not proposing to alter the scheme at this stage.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Fraser', written in a cursive style.

ANDREW FRASER