



Hon Colin Barnett MLA
Premier



Hon Helen Morton MLC
Minister for Disability
Services



Hon Mike Nahan MLA
Treasurer

14/5/15

Our State Budget 2015-16

Protecting and supporting our community

MEDIA STATEMENT

WA to adopt no-fault catastrophic injury cover

- **New no-fault catastrophic motor vehicle injury insurance scheme to start on July 1, 2016**
- **The cost of additional no-fault catastrophic Compulsory Third Party insurance cover will be a maximum of \$99 in the first year for each vehicle**

The State Government has announced the introduction of no-fault catastrophic injury cover to expand Western Australia's Compulsory Third Party (CTP) insurance scheme in today's State Budget.

Premier Colin Barnett said the no-fault scheme would provide long-term care for all people catastrophically injured in motor vehicle accidents in WA and was the right thing to do.

"We have listened to the community and there has clearly been an overwhelming response for support of a no-fault insurance scheme in WA," the Premier said.

"I'm proud the Government has made this decision and will implement it as early as is practicable."

Treasurer Mike Nahan said the decision came after the release to the community last year of a Green Paper inviting public feedback on options to add no-fault catastrophic injury cover to the existing CTP scheme. More than 2,300 responses were received.

"The Government wants to ensure that long-term care is available to all people catastrophically injured in a motor vehicle accident irrespective of whether fault could be asserted," Dr Nahan said.

"All people catastrophically injured in motor vehicle accidents in our State from July 1, 2016 will receive care and support. Enhancements will also be made to the existing CTP scheme to ensure care is provided on an equal basis to all people catastrophically injured."

Disability Services Minister Helen Morton said approximately 92 West Australians suffered a catastrophic injury every year as a result of a car accident. Under the existing CTP scheme, an estimated 48 people receive compensation payable as a lump-sum because they could assert another person was at fault.

However, the other estimated 44 people were unable to claim compensation because they were either at fault or unable to assert fault, and instead, had to access support from public health and disability services, personal insurance, families and friends.

"The cost of providing lifetime care for people catastrophically injured in motor vehicle accidents is estimated to be an average of \$4 million per person over the course of their lifetime," Mrs Morton said.

The cost of no-fault catastrophic CTP insurance will be a maximum of \$99 (including GST and insurance duty) in the first year for each vehicle and motorcycle. From July 1, 2016, the annual CTP premium - including no-fault catastrophic insurance - will be about \$415 per year for a family vehicle.

Not all vehicle classes will increase by \$99 with smaller rises applied to tractors, mopeds, vintage cars and farm fire-fighting vehicles while there will be no increases for trailers and caravans.

The Treasurer said that the price of CTP insurance in WA, including no-fault catastrophic insurance, would continue to be cheaper than similar CTP insurance in South Australia (\$476), Victoria (\$487), the Northern Territory (\$531), the Australian Capital Territory (\$604) and New South Wales (\$613).

To introduce the scheme, Dr Nahan said amendments would be required to the Motor Vehicle (Third Party Insurance) Act 1943 and the Insurance Commission of Western Australia Act 1986.

To enable the scheme to start on July 1, 2016, supplier panels will need to be put in place and changes will need to be made to the Department of Transport's premium collection and invoicing system, and the Insurance Commission of Western Australia's systems and processes.

Fact File

- **The no-fault catastrophic CTP insurance scheme will start on July 1, 2016**
- **Additional no-fault catastrophic CTP premium will be a maximum of \$99 for the first year for each vehicle**
- **Motorists will pay for their no-fault insurance once their vehicle registration falls due after July 1, 2016**
- **Public feedback on the Green Paper is available from the Insurance Commission of WA's website at <http://www.icwa.wa.gov.au>**
- **WA Budget statements are available at <http://ourstatebudget.wa.gov.au>**

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