

# APM

**Submission –  
Compulsory Third Party Insurance  
Scheme, WA**

**24 December 2014**



## Introduction

APM is pleased to provide the following response to the Green Paper, “Options to add No-Fault Catastrophic Injury Cover to Western Australia’s Compulsory Third Party Insurance Scheme”.

The current compulsory third party motor vehicle personal injury insurance scheme in WA is an “at-fault” scheme, meaning that if a person is injured in a motor vehicle accident, fault needs to be identified on the part of a driver of a WA-registered motor vehicle for an insurance claim to be successful.

Insurance premiums for coverage under the current scheme are paid on top of motor vehicle registration fees at the time that motor vehicle registration fees are paid.

## About APM

APM (Advanced Personnel Management, [www.apm.net.au](http://www.apm.net.au)) is an Australian-owned international human services organisation delivering employment assistance, injury management, vocational rehabilitation, assessment, allied health intervention and community care (aged care and disability care) services. APM employs more than 1000 staff who deliver these services throughout Australia and New Zealand, and in the United Kingdom.

Since APM was established in 1994, we have assisted more than 610,000 individuals and we currently deliver services to more than 60,000 people each year.

APM is an accredited vocational rehabilitation provider in all third party motor vehicle insurance jurisdictions across Australia and works within all of these jurisdictions.

Specific services that APM provides include allied health interventions, vocational rehabilitation, employment assistance, psychological services, return-to-work and redeployment, occupational health and safety, risk assessments, education/training, workplace assessments and community care. We have direct experience providing these services to people who have suffered catastrophic injuries as a result of motor vehicle accidents. For example, APM has been delivering services for Victoria’s Transport Accident Commission (TAC) since 2002.

In Australia, APM is also a provider of Disability Employment Services (DES) and Job Services Australia (JSA) across 52 Employment Service Areas. APM is the largest non-government provider of DES in Australia.

APM conducts thousands of assessments each year in 78 Employment Service Areas as part of the Australian Government’s National Panel of Assessors program.

APM has a group company, Integra ([www.myintegra.com.au](http://www.myintegra.com.au)), which is a specialist provider of disability services as part of the National Disability Insurance Scheme (NDIS).

## APM’s Position

APM supports Option 2 in the Green Paper, that a no-fault catastrophic compulsory third party insurance scheme for all people catastrophically injured as a result of a motor vehicle accident in WA should be introduced.

## Benefits of No-Fault Catastrophic Injury Cover

APM has identified a number of benefits which would result from a no-fault catastrophic compulsory third party insurance scheme. These include, but would not be limited to:

- Everyone would be covered

Unlike the current scheme, all people who sustain major injuries in motor vehicle accidents which occur in WA would be covered. The current situation is akin to having a gap in insurance coverage. This poses a significant risk to drivers and other road users in WA.

- Greater access to and greater choice of treatment and rehabilitation services

A no-fault scheme would enable anyone on WA roads who is impacted to be able to access life-long care and support. With Option 2 providing regular payments instead of a lump-sum amount (as is currently the case), this gives recipients a greater range of services from which to choose, therefore optimising their independence. It would also result in younger road accident victims being directly cared for by family members and not having to reside in shared facilities, such as nursing homes.

- Better recovery outcomes

APM's experience is that a no-fault scheme delivers superior recovery outcomes for those who have been involved in a motor vehicle accident. Our experience has been gleaned from the delivery of allied health interventions, vocational rehabilitation and employment assistance services to people who have suffered an injury – with a significant number of these injuries being catastrophic – in motor vehicle accidents who are insured with Victoria's Transport Accident Commission (TAC).

- Access to funding would not be contingent on legal action

Under the current scheme, many people who suffer serious injuries on WA roads must pursue legal action to source funds for their treatment and ongoing care. Such action is costly and success is not guaranteed. A no-fault scheme would remove this.

## Benefits Outweigh Costs

The Government of WA has stated that the estimated additional cost of a no-fault scheme on an annual basis would be \$109 for a family car.

For a no-fault scheme which would only cover people who do not receive compensation from the existing scheme, this estimated figure is \$101.

Given the small differential between these figures and that the Productivity Commission has recommended that all Australian jurisdictions should have fully funded no-fault care and support schemes, the blanket no-fault scheme represents the best outcome for WA.

It is APM's submission that the cost of a no-fault scheme would be outweighed by the benefits through the improved outcomes that it would deliver. Superior recovery outcomes and functional capability would be the result.

## Other Considerations

In finalising its preferred option, the Government of WA may wish to take into account the following other considerations:

- Funds from premiums should not go into consolidated revenue, but instead, any surplus funds should be put towards increasing the size and scope of road safety campaigns in WA;



- For people on low incomes, concessional premiums could be made available (which are consistent with other government concessions already offered); and
- Drivers who have an excellent safety record should be rewarded with lower premiums.

## **Conclusion**

Should any aspect of this submission require clarification, APM would be pleased to participate in further formal engagement.

## **APM Contact**

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