



Special Minister of State  
Minister for Commerce  
Minister for Industrial Relations  
Assistant Treasurer  
Minister for the Central Coast

001 904 67  
2003 AUG 26

Mr Warren Cahill  
Clerk Assistant - Committees and  
Usher of the Black Rod  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Mr Cahill

I am writing to provide the Government's response to the recommendations of the Third and Fourth reports of the Legislative Council Standing Committee on Law and Justice on the review of the exercise of the functions of the Motor Accidents Authority (MAA) and the Motor Accidents Council.

The Third Report (Report 19 - February 2002) made the following recommendation:

**The Committee recommends that the Motor Accidents Authority should give further consideration as to how parents who lose children as a result of a motor vehicle accident might be compensated, particularly parents who would not qualify for non-economic loss according to current medical and psychological guidelines. The further consideration of this matter should include public consultation with interested stakeholders.**

The Motor Accidents Scheme makes special provision for the close relatives of a family member who dies as a result of a motor vehicle accident caused by the fault of another driver.

Firstly, close relatives can make a Compensation to Relatives claim for financial compensation for funeral expenses incurred and any loss of financial support which the person who died would have provided.

Secondly, the Motor Accidents Scheme also provides for close relatives to make a personal injury claim for psychiatric illness suffered because of the accident. A spouse, children, parents and brothers and sisters of the deceased may be eligible to make a claim.

A personal injury claim provides for entitlements for rehabilitation, medical treatment, pharmaceutical expenses and lost wages. In addition, there may be payment for pain and suffering, also known as non-economic loss, where the psychiatric injury results in a greater than 10 per cent permanent impairment.

In response to the recommendation of the Law and Justice Committee the Motor Accidents Authority commissioned a preliminary investigation of grief support services currently available, in particular those available to families of children killed in a motor vehicle accident. This involved consultation with service providers and some stakeholders. A copy of the investigation report was provided to the Standing Committee in December 2002.

During the 2003 Budget Session of Parliament, the Government enacted the *Victims Legislation Amendment Act 2003*, to extend counselling to the family of a victim of crime killed in circumstances where a motor vehicle has been used as a weapon.

In relation to the recommendations to the Fourth Report (Report 24 - December 2002) I can advise the following:

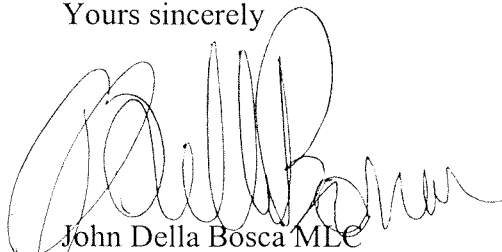
- 1. The Committee recommends that the Motor Accidents Authority provide its statutory Report on Insurer Profits to the Parliamentary Committee at least one week in advance of the scheduled hearing.**

The MAA will include its statutory Report on Insurer Profits in future annual reports, commencing with the 2002/2003 Annual Report.

- 2. The Committee recommends that the Special Minister for State consider an amendment to the *Motor Accidents Compensation Act 1999* to provide for a statutory monetary benefit to parents whose children are killed in a motor vehicle accident as a means of providing them with some form of direct and untied financial assistance. The amount paid should not exceed \$100,000.**

I have requested that the Motor Accidents Authority prepare an issues paper on the Committee's suggestion of a monetary benefit to parents whose children are killed in a motor vehicle accident. It is anticipated that the issues paper will be available for the Committee's annual review of the Motor Accidents Scheme.

Yours sincerely



John Della Bosca MLC  
Minister for Commerce