

**Submission  
No 2**

## **FIRST REVIEW OF THE COMPULSORY THIRD PARTY INSURANCE SCHEME**

**Organisation:** Australian Trucking Association

**Date received:** 26 April 2016

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The Director  
Standing Committee on Law and Justice  
Parliament House  
Macquarie St  
Sydney NSW 2000

Dear Sir/Madam

### **First Review of the Compulsory Third Party insurance scheme (Inquiry)**

The Australian Trucking Association welcomes the current inquiry by the Law and Justice Committee into New South Wales' Compulsory Third Party (CTP) insurance scheme.

On behalf of our Association, I would like to draw the Committee's attention to an ongoing concern of the road transport industry, namely the issue of heavy vehicle trailers, and schemes for compulsory third party motor vehicle injury insurance.

Please be aware that I have raised this same issue nationally with the Heads of the CTP.

As you are no doubt aware, registered heavy vehicle trailers are treated differently under the various schemes that are in force around Australia, and these trailers do not necessarily attract the same CTP protection afforded to other vehicles such as prime movers and trucks. We are concerned that some interstate transport operators may be unaware that they do not currently possess any form of third party injury insurance to protect the viability of their fleets.

For example, I understand that trailers in Western Australia are required be CTP-insured upon registration. This means that operators in that state are suitably covered for an trailer-related incident causing injury whether being used at home or interstate. In Queensland, however, the road authority advises operators to purchase a supplementary CTP policy if planning to travel interstate but purchasing this policy is voluntary.

I would also like to clarify the nature and extent of CTP coverage presently afforded to a trailer if it causes injury while parked by the road in a state other than the state of its own registration. In this situation there is no truck or prime mover to help identify the CTP insurer.

The ATA has been advised by a major CTP insurer that a majority of its clients have comprehensively insured truck and trailer fleets, and that such insurance policies today typically include a form of supplementary bodily injury (SBI) insurance.

Unfortunately, this advice implies that businesses that do not specifically insure their trailers may be exposed to financially catastrophic claims thanks to the nationally uneven CTP insurance framework. It could also mean that a person injured in such a situation would not have access to an appropriate level of compensation.

In this context, I ask that the committee consider liaising with the National Heavy Vehicle Regulator to explore the issues above before forming its conclusions regarding any new approach to CTP in NSW. Relevant issues for discussion could also include:

- how to limit the possibility of under-insurance of trailers
- CTP for trailers that continues to facilitate trailer movement and
- limiting costs to industry from any changes to the current CTP insurance scheme.

The ATA contact for this matter is Ro Mueller, Senior Adviser, Road Safety and Productivity,  
on \_\_\_\_\_ or \_\_\_\_\_

Yours sincerely

Christopher Melham  
Chief Executive

19 April 2016