

**Submission
No 1**

INQUIRY INTO 2020 REVIEW OF THE COMPULSORY THIRD PARTY INSURANCE SCHEME

Organisation: Carers NSW Australia

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Law and Justice Committee
NSW Parliament
law@parliament.nsw.gov.au

2020 Review of the Compulsory Third Party insurance scheme

To whom it may concern,

Carers NSW welcomes the opportunity to provide a written submission to the 2020 review of the Compulsory Third Party insurance scheme. Carers NSW is the peak non-government organisation for individuals in NSW who provide informal care and support to a family member or friend who has a disability, mental illness, drug or alcohol dependency, chronic condition, terminal illness or who is frail aged.

Carers NSW has made regular contributions to past reviews, including to the Motor Accidents Authority, Lifetime Care and Support Authority and was involved in the State Insurance Regulatory Authority (SIRA) consultation regarding CTP reform. We commend these agencies for their consultation of Carers NSW in line with their obligations under the NSW *Carers (Recognition) Act 2010* and are pleased to be supporting carers and families of motor accident victims in NSW through the wecare program, working in partnership with icare. This submission will reiterate our key areas of advocacy regarding the reform of Green Slip insurance in NSW and the subsequent impacts for carers.

The 2020 review of the CTP insurance scheme provides an opportunity for the NSW Government to greater consider the impacts of motor vehicle accidents on family and friend carers. It is important that the system continue to develop in its recognition of the impacts that carers can experience as a result of their loved one's injury, particularly the immediate and long term health, wellbeing and economic impacts.

Many people injured in a motor vehicle accident require care and support from a family member or friend on either a short term basis as they recover, or a longer term basis as they come to terms with the impact of a permanent impairment. This support may be casual and intermittent, or regular and intensive, depending on the type and severity of the injury and the other supports available. Often carers provide immediate support, and may be required to fill support gaps while services are put in place. This is particularly the case where claims take a long time to be resolved, whether due to dispute or another reason.

Currently, the CTP scheme covers medical costs, economic loss and, in some cases, non-economic loss relating to pain and suffering for injured persons. However, nowhere in the existing scheme is there provision for medical costs, economic loss and non-economic loss that may be experienced by carers of injured people. This is despite the fact that it is well established that carers are particularly susceptible to injury, disability and mental health issues, and often give up or reduce work to care.¹

In addition to the practical care and support provided by carers, often required due to the nature of the injury or disability, carers may be required to provide decision making support to the person they care for. This may be required in cases where a person has a pre-existing condition which impacts their

¹ Australian Bureau of Statistics (2018) *Disability, Ageing and Carers, Australia: New South Wales*; Carers NSW (2018) *Carers NSW 2018 Carer Survey Main Report*, Carers NSW

cognition or communication, or in cases where this is acquired as a direct result of the motor vehicle accident. Carers NSW supports the work of the CTP Assist service, designed to help people with making a claim such as with filling out forms, and advice around getting a decision reviewed. Carers NSW advocates that this service be carer inclusive in their provision of support to people who are injured, by recognising and support the role of carers who provide decision making support.

Under the previous scheme, which was designed as a predominantly common law, fault-based scheme, coverage was based on the need to establish who was “at fault” for an accident. The principle of varying coverage depending on fault previously disadvantaged carers who were penalised by having to provide support with fewer financial resources because their injured care recipient was determined to be “at fault” for the motor vehicle accident. Carers NSW commends the changes made to the scheme, which ensures that people previously excluded from benefits beyond \$5000 combined income and medical costs, are no longer excluded from an increased amount of financial compensation supporting their recovery and the role and wellbeing of their carer.

Carers NSW also commends the price reduction of green slip prices which occurred in 2017. The approximate reduction by \$124.00 per green slip will have significant positive economic implications for carers. As highlighted in our previous reviews, carers are more likely than non-carers in NSW to live on a low income, be outside the labour force and depend on income support.² Carers are therefore likely to have fewer financial resources than their peers. This can be problematic in affording a car, even though for many carers a car is crucial, for example, to take the person they care for to medical appointments, to supplement a lack of accessible public transport and to successfully balance work and caring responsibilities. The cost of purchasing, registering, insuring, modifying, maintaining and fuelling a car can be prohibitive or contribute to financial stress. Carers NSW therefore supports a reduction in Green Slip prices, and strongly advocates that the State Insurance Regulatory Authority continue to provide oversight and monitoring to ensure that insurers are compliant and act reasonably and lawfully in their decision making with regards to green slip prices.

Thank you for accepting our submission.

Yours sincerely,

Elena Katrakis
CEO
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² ABS (2018).