

28 October 2010



Legislative Council Standing Committee on Law and Justice

Tenth Review of the Motor Accidents Authority and the Motor Accidents Council

REPORT TABLED

The Chair of the Standing Committee on Law and Justice, the Hon Christine Robertson MLC, today tabled the Committee's report on its Tenth Review of the Motor Accidents Authority (MAA) and the Motor Accidents Council (MAC).

The NSW Motor Accidents Scheme is now in its twelfth year, and the Committee has undertaken ten reviews of the MAA and the MAC, as required by the *Motor Accidents Compensation Act 1999*. This report is the first since the Committee has moved to a biennial review process of the MAA and the MAC.

'This report is the culmination of the work of the Committee during each of our ten reviews, drawing together the outcomes of our continued examination of a range of issues relating to the way in which the MAA and the MAC exercise their functions,' Ms Robertson said.

'During this Tenth Review the Committee has found that the Scheme and the MAA continue to perform in an effective manner when assessed against the indicators of affordability, effectiveness, fairness and efficiency. However, Review stakeholders drew attention to a number of potential areas for improvement of the Scheme.'

'The Committee has examined a diverse range of issues during this Review, relating to access and eligibility for the Scheme, insurer profits, and medical and claims assessments. The Committee has identified a number of areas for improvement, and has made 15 recommendations to this end,' Ms Robertson stated.

This review was conducted in conjunction with the Committee's Third Review of the Lifetime Care and Support Authority and Lifetime Care and Support Advisory Council. A separate report on that Review will be published later in November 2010

Ms Robertson can be contacted for comment on 0428 674 310 or (02) 9230 2971

Further information

A list of the Committee's recommendations is attached. The report is on the Committee's website: www.parliament.nsw.gov.au/lawandjustice. Hard copies are available by phoning (02)9230 2412.

Summary of recommendations

Recommendation 1

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That the Motor Accidents Authority publish the report on its investigations into the advantages and feasibility of the further itemisation of each component of the Medical Care and Injury Service Levy on CTP Green Slips.

That, if this report demonstrates that it is feasible to clearly identify the proportion of the levy that is allocated to the Lifetime Care and Support Scheme and the proportion allocated to hospital and ambulance services and the administration costs of the Motor Accidents Scheme, the Motor Accidents Authority should pursue the introduction of this further itemisation.

Recommendation 2

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That the Motor Accidents Authority, during its forthcoming review of risk relativities, investigate the feasibility of requiring insurers within the Motor Accidents Scheme to differentiate between Green Slip prices for buses and coaches based on their operating environment and on the number of passengers that the vehicle is licensed to transport.

Recommendation 3

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That the Minister for Finance pursue an amendment to the *Motor Accidents Compensation Act 1999* to require that the membership of the Motor Accidents Council only lapses upon the appointment of a new membership group or, alternatively, to allow provision for interim membership to be granted between the time that one period of membership ceases and another membership is appointed. In determining the form of the amendment consideration should be given to the approach used to appoint the membership of similar advisory bodies and to the view of the Motor Accidents Council on this matter.

Recommendation 4

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That the independent competition review commissioned by the Motor Accidents Authority and the work being undertaken by the Authority to improve the profit assessment methodology involve extensive stakeholder consultation, including with the Motor Accidents Council and the stakeholders who have contributed to the Committee's Review in relation to insurer profits.

That the Motor Accidents Authority make publicly available the results of this Review, and any subsequent proposals to change the profit assessment methodology used by the Motor Accidents Authority, as soon as possible.

Recommendation 5

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That the working party established by the Motor Accidents Authority to review the Motor Accidents Compensation Regulation 2005 ahead of the 1 September 2011 deadline and the appropriateness of the existing legal costs regime should, among other matters:

- carefully consider the findings of the FMRC Legal report on the impact of the Cost Regulation referred to in the Committee's report
- undertake extensive consultation with all relevant stakeholders to determine how the Regulation can be improved to better meet the needs of claimants under the Motor Accidents Scheme.

Recommendation 6*Page 61*

That the Motor Accidents Authority, in consultation with stakeholders including the NSW Farmers' Association, review the interaction between the *Motor Accidents Compensation Act 1999* and the *Workers Compensation Act 1987* to identify areas where clarification is needed regarding the application of each Act.

Recommendation 7*Page 67*

That the Minister for Roads, in consultation with the Minister for Finance, pursue an amendment to the *Road Transport (General) Act 2005* to remedy the situation caused by the decision in *Doumit v. Jabbs Excavations Pty Ltd [2009] NSWCA 360*, whereby insurance coverage does not extend to registered vehicles that operate on treads. The amendment should redefine the term 'vehicle' to include vehicles that operate on treads.

Recommendation 8*Page 70*

That the Motor Accidents Authority consult with Vision Australia during the process of making technological improvements to its case management system, to ensure maximum accessibility to services and information for people with vision impairment.

Recommendation 9*Page 70*

That the Motor Accidents Authority consult with carers' advocacy groups to examine the feasibility of modifying the language used on the Motor Accidents Authority website and in official publications when referring to the family of injured people and providing clear information on the support services available for carers.

Recommendation 10*Page 76*

That the Motor Accidents Authority collaborate with Youthsafe to identify where improvements can be made to current and future youth injury prevention strategies, and to ensure that those strategies maximise their effectiveness in reaching their target audience.

Recommendation 11*Page 79*

That the Motor Accidents Authority facilitate the attendance of relevant officers at Motor Accident Assessment Service Reference Group meetings as appropriate, and develop a feedback mechanism to inform the Group as to the background for not adopting proposals.

Recommendation 12*Page 83*

That the next review of the Motor Accidents Authority and Motor Accidents Council, to be conducted in 2012 by a Committee of the Legislative Council as required under section 210 of the *Motor Accidents Compensation Act 1999*, include a focus on the issue of the ten percent whole person impairment threshold for non-economic loss.

Recommendation 13*Page 89*

That the Motor Accidents Authority conduct a review of the decisions made by Medical Assessment Service Medical Assessors regarding causation, to establish whether there are particular issues associated with challenges to these decisions. The review should determine whether improvements can be made to decision making on causation issues. When undertaking this review, the MAA should consult extensively with key stakeholders to ensure that the full range of perspectives on this issue is considered. The results of this Review should be made publicly available.

Recommendation 14

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That, as part of its review of the Claims Assessment and Resolution Service, the Motor Accidents Authority examine the late claims process, in consultation with the Motor Accidents Council and key stakeholders. This examination should give consideration to allowing only external assessors, or Principal Claims Assessors, to assess late claims disputes.

Recommendation 15

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That the Motor Accidents Authority publicly release the Pricewaterhouse Coopers report on the MAA's monitoring systems that included an examination of superimposed inflation, as soon as possible.