



11 February 2016

The Research Director
Communities, Disability Services and Domestic and Family Violence Prevention Committee
Parliament House, George Street
Brisbane, QLD, 4000

Email: cdsdfvpc@parliament.qld.gov.au

Dear Sir/Madam

Inquiry into a suitable model for the implementation of the National Injury Insurance Scheme (NIIS)

The Insurance Council of Australia (ICA) welcomes the opportunity to comment on the Taylor Fry Report which provides actuarial costings for the two NIIS models identified in the inquiry's terms of reference. The Report provides estimates of the costs of implementing a no-fault lifetime care scheme (Option A), or a hybrid common law and no-fault care and support arrangement (Option B).

As we advised the Committee in our January submission, the ICA supports Option A. We consider this model will provide the most equitable form of care for those catastrophically injured by motor vehicle accidents in Queensland. We also recognise the potential for Option A to diminish lengthy and costly disputes by ensuring the types of benefits available are not predominately determined by negligence or fault.

The Report contains a number of estimates that support Option A as the most appropriate model for the Queensland Government to implement. Notably, the Report assumes the net increase in the annual cost per vehicle would be less under Option A than under Option B. The Report also notes that Option B may not meet NIIS minimum benchmarks. It is unclear how, or if, the NDIS would interact with the hybrid model proposed under Option B to compensate for shortfalls in care and support arrangements.

The uncertainties, costliness and divergent care arrangements associated with Option B have the potential to create confusion for all stakeholders. This is particularly concerning for the catastrophically injured, who will be reliant on this system for their care and support.

As the Queensland Government works towards a 1 July implementation date, consideration should be given to any transitional arrangements that may be needed. To avoid the unintended consequence of not having a fully funded CTP scheme, careful analysis is also required when determining changes to CTP premiums. There are many operational changes associated with implementing a catastrophic injury scheme. We therefore reiterate the importance of full disclosure of scheme design as soon as possible, to help facilitate a smooth transition by 1 July 2016.



If you would like to discuss any of these matters further, please contact Vicki Mullen, General Manager, Consumer Relations & Market Development, on [REDACTED] or [REDACTED].

Yours sincerely

[REDACTED]

Robert Whelan
Executive Director and CEO