

28 May 2021

Dr Petrina Casey
A/Executive Director
State Insurance Regulatory Authority
Level 14-15, 231 Elizabeth Street
SYDNEY NSW 2000

By email only: policydesignwhbcr-sira@sira.nsw.gov.au

Dear Dr Casey

Re: Injury Insurance Arrangements for Food Delivery Riders in the Gig Economy Consultation

Suncorp Group welcomes the opportunity to contribute to the consultation on injury insurance arrangements for Food Delivery Riders (Riders) in the Gig Economy in NSW, and the Compulsory Third Party scheme (CTP) more broadly. The timing of this consultation comes at an important time given the continued growth in the Gig Economy, and particularly in the Food Delivery sector. We acknowledge the complexities around injury insurance arrangements for Riders, and the importance of progressing to a solution.

Noting the preliminary options presented in the consultation paper, Suncorp supports Option 6: Extend the existing workers compensation scheme to cover food delivery riders. As Australia's largest private personal injury insurer, Suncorp is committed to ensuring the injury insurance arrangements for Food Delivery Drivers are fair, sustainable and affordable.

Consistent and Equal Access to Treatment, Care and Support

It is well known that the physical, psychological, financial and social impact of a workplace or road injury can be significant. While injured 'workers' and road users have access to safety nets via the Workers Compensation (WC) and CTP schemes to help them get back to work and life as quickly and fully as possible, Riders may or may not have access to such support. In the interests of fairness, it is important that all Riders have access to the same benefits, regardless of whether they are operating from a registered vehicle (e.g. motorbike) or not (e.g. a bicycle). It is also important that those benefits are consistent with the benefits other workers are entitled to. The expansion of the existing WC scheme is an appropriate solution to explore.

Throughout the Gig Economy there are various insurance arrangements in place providing income protection and/or personal insurance cover. Though these policies may share similarities with the benefit entitlements under WC and CTP schemes, it is important to note that they are not mandated for Riders and do not provide ongoing treatment and care benefits. In our experience, providing ongoing treatment and care is a critical part of helping an injured person to recover and return to their pre-injury lifestyle as quickly and fully as possible.

Preliminary Options

We note the preliminary options presented in the Consultation Paper to develop a parallel compensation scheme. While such a scheme would be tailored to the needs of the Food Delivery Gig Economy, it would forgo the benefits of leveraging the infrastructure and regulatory mechanisms embedded in the existing WC scheme.

The WC scheme is designed to help get injured workers back to full participation in work and life¹ and has a range of supports in place throughout the claims process, such as the Independent Review Office, Independent Legal Assistance Review Service and the Personal Injury Commission. To replicate this infrastructure in a tailored scheme for Riders would require a significant financial and time investment, which should be assessed against the potential impacts on the affordability, benefit structure, and sustainability of a tailored scheme.

While we may not be supportive of the establishment of a new scheme for Riders, we recognise that there will be complexities to address should Option 6 be progressed. As the concept and definitions of a *workplace* and a *worker* evolve, we are committed to ongoing engagement with SIRA and industry stakeholders to ensure that the WC scheme continues to meet the needs of the community it serves.

CTP Premium setting for motorcycles

As noted in the Consultation Paper, many Riders provide food delivery services using a motorcycle; often navigating busy roads during peak hour traffic, at night, and under time pressure. These factors correlate with an increased propensity to claim under the CTP scheme. However, when setting motorcycle premiums, CTP Insurers are not permitted to differentiate between personal use and commercial use motorcycles, such as those used in the provision of Food Delivery Services.

Consequently, Food Delivery Riders using motorcycles may not be paying a CTP premium that appropriately reflect their risk. As the Gig Economy and Food Delivery Services continue to grow, the issue of underfunded motorcycle premiums will also grow. We urge SIRA to consider this issue further as the net effect for motorists may be an increase in future premiums and an increased cross-subsidy across other vehicle classes.

Suncorp looks forward to further discussion with SIRA on the injury insurance arrangements for Food Delivery Riders. If you have any questions or require additional information, please do not hesitate to contact me directly.

Yours faithfully



Surayez Rahman
Executive Manager, NSW & SA CTP
Suncorp

¹ Source: icare website: <https://www.icare.nsw.gov.au/injured-or-ill-people/workplace-injuries/who-we-care-for>