



30 November 2016

State Insurance Regulatory Authority  
Level 25  
580 George Street  
Sydney NSW 2000

Via email: [ctp\\_review@sira.nsw.gov.au](mailto:ctp_review@sira.nsw.gov.au)

Dear Sir/Madam

**Reforming insurer profit in compulsory third party (CTP) motor vehicle insurance**

Thank you for the opportunity to comment on the *Reforming insurer profit in compulsory third party (CTP) motor vehicle insurance discussion paper*. The Royal Australasian College of Physicians (RACP) represents physicians and paediatricians who work in rehabilitation, adolescent and young adult medicine, occupational and environmental medicine and public health, who can be involved in the care of people affected by motor vehicle accidents.

Due to the very short timeframe for this consultation, our feedback is largely based on input received from members of our Paediatric & Child Health Division.

We support the CTP Scheme reform objectives to increase the proportion of benefits provided to the most seriously injured road users, and to reduce the time it takes to resolve a claim. We also support the proposed 'no fault' scheme to allow all injured drivers equitable access to care to improve their health outcomes through the facilitation of timely access to rehabilitation and other treatment services. This associated reduction in wait time to resolve a claim will ensure injured parties receive payment when it is most needed.

In addition, timely treatment has the added benefit of enabling injured parties to return to work as soon as possible where appropriate to facilitate their recovery. The evidence shows that extended time off work often leads to a worsening rather than an improvement in symptoms and conditions it is supposed to ameliorate and that can also generate increased incidence of mental health problems such as anxiety and depression.<sup>1</sup>

However, we are concerned that the proposed changes to the CTP scheme will not adequately compensate injured people for lost and future income and ongoing treatment beyond the first five years. This has implications for all drivers, pedestrians and passengers, but specifically for young people because:

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<sup>1</sup> The Royal Australasian College of Physicians (2011). Realising the Health Benefits of Work, Australasian Faculty of Occupational & Environmental Medicine Position Statement. Accessed at: <https://www.racp.edu.au/docs/default-source/advocacy-library/realising-the-health-benefits-of-work.pdf>

- Young drivers are over-represented in road crashes compared to other age groups especially young males.<sup>2</sup>
- Road crashes are one of the leading causes of injury, disability and death among young people.<sup>3</sup>
- Their lost income and cost of care will be significantly higher than for someone injured at 40 or 65. They are also less likely to have well-funded income protection insurance.

In addition, although provisions for non-workers are made in the CTP reform position paper, we would like to clarify that this includes children and young people.

We therefore recommend:

- That the proposed scheme is evaluated after a reasonable period to assess if health outcomes have improved for injured persons compared to the current system;
- That increasing life expectancy trends and the effects of ageing on long term disability are taken into consideration to allow ongoing necessary treatment when estimating future treatment costs. This will potentially have the additional benefit of relieving pressure on the public health system that injured parties would rely on after their allocated funds are exhausted.

For further information or to discuss this issue in more detail please contact Veronica Vogel, Policy Officer, on [REDACTED].

Yours faithfully

[REDACTED]

Dr Catherine Yelland PSM  
RACP President

[REDACTED]

Dr Sarah Dalton  
RACP Paediatrics & Child Health  
Division President

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<sup>2</sup> Australian Institute of Health and Welfare (2014). Australia's health 2014. Australia's health series no. 14. Cat. no. AUS 178. Canberra: AIHW.

<sup>3</sup> *ibid.*