



Hon Andrew Fraser MP
Member for Mount Coot-tha



**Queensland
Government**

Treasurer of Queensland



QTO-04002

- 1 DEC 2008

Mr Neil Laurie
The Clerk of the Parliament
Parliament House
Cnr Alice and George Streets
BRISBANE QLD 4000

Dear Neil

Thank you for your letter of 12 November 2008 regarding petition number 1149-08 which advocates a change of Queensland's Compulsory Third Party (CTP) scheme to a no-fault compensation scheme.

To protect the interests of road users, Queensland has enforced compulsory insurance for motor vehicle owners. The policy of insurance provides coverage for legal liability arising from the use of a motor vehicle. This requires negligence to be established in order to claim common law damages for personal injury.

Fault-based schemes operate in New South Wales, South Australia, Western Australia and the Australian Capital Territory. No-fault schemes feature in Victoria, Tasmania and the Northern Territory. Generally, a no-fault scheme provides broader statutory entitlements with varying access to common law.

Given negligence does not need to be established under a no-fault scheme there are more persons eligible for compensation. However, this broader entitlement must be weighed carefully against the higher premium cost to motor vehicle owners and/or the possibility of a reduced benefit structure to keep premiums at existing levels. The current CTP premium in Queensland for a family sedan ranges from \$293.80 to \$299. Depending on the jurisdiction, no-fault schemes compare with premiums that range from \$338 to \$436.55.

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An independent review of the CTP scheme has previously been commissioned by the Queensland Government. This was a comprehensive review; it considered the fundamentals of the scheme and sought broad community input. Having considered the various models, including the option of a no-fault scheme, the review committee recommended the retention of the existing fault-based common law scheme. The Government accepted all recommendations of the Committee.

While at-fault drivers are not covered for personal injuries by a standard CTP policy, most CTP insurers as a competition initiative, now provide limited at-fault cover in the form of driver protection insurance. While the scope of cover varies between insurers, policy holders have access to prescribed benefits in the form of lump sum payments for defined injuries. Where provided, this is at no additional charge to the motor vehicle owner.

The Government is not proposing to alter the scheme at this stage.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Fraser', written in a cursive style.

ANDREW FRASER