Asked by Mr Wall

In relation to:
Dual insurance coverage for workers injured in motor vehicle accidents arising out of or in the course of their employment and differences in scheme design.

Which scheme is likely to see a greater level of claim activity?

MINISTER FOR EMPLOYMENT AND WORKPLACE SAFETY: The answer to the Member’s question is as follows:—

Dual insurance currently occurs between workers' compensation and the compulsory third party (CTP) scheme where a worker and a motor vehicle was involved, with statutory benefits and common law for workers' compensation and common law only for CTP. Under the proposed Motor Accident Injuries Scheme some employees who are injured in a motor vehicle accident arising out of or in the course of their employment will be able to choose between receiving statutory defined benefits from either the:

- ACT private sector workers' compensation scheme; or
- Motor Accident Injuries Scheme.

Once the motor accident scheme is operational, it will be a matter for individuals to determine which scheme will provide the most appropriate defined benefits based on their circumstances. This choice does not limit the options available to an individual to pursue compensation under common law.

It is important to note that the below details only apply to the statutory benefits component of these schemes. Additional benefits are available at common law for people who are eligible and choose to make a claim.

There are a number of differences in the statutory defined benefits available that may influence a person’s choice, including:

- for statutory periodic compensation for lost income:
  - the motor accident scheme’s maximum duration of payment is five years, whereas the workers’ compensation scheme maximum limit is to the retirement age;
  - the proportion of lost income that is compensated varies over time, as illustrated in the chart over the page;
- for statutory compensation for permanent impairment:
  - the motor accident scheme’s maximum defined benefit is a lump sum of $350,000, whereas the workers’ compensation scheme maximum is $219,721; and
• the motor accident scheme applies a whole person impairment threshold that must be met before a lump sum is payable, of 5 per cent whole person, whereas the statutory lump sum for workers compensation is not subject to an impairment threshold.

• where a person has died from their compensable injuries, the lump sum for dependants available from the motor scheme is up to $350,000, whereas in workers' compensation the lump sum is $539,000;

• motor accident scheme funeral expenses of up to $15,000 may be paid; while workers' compensation funeral expenses are $11,828.87; and

• the types of medical and allied health treatments available are similar; however, there is a five year limit on the period that these services are covered by the motor accident scheme, whereas there is no time limit for medical treatment under workers' compensation.

Income Replacement Benefits

| Months | 1 | 3 | 5 | 7 | 9 | 11 | 13 | 15 | 17 | 19 | 21 | 23 | 25 | 27 | 29 | 31 | 33 | 35 | 37 | 39 | 41 | 43 | 45 | 47 | 49 | 51 | 53 | 55 | 57 | 59 |
|--------|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 100%   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 80%    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 60%    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 40%    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 20%    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 0%     |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |

Approved for circulation to the Standing Committee on Education, Employment and Youth Affairs

Signature: [Signature]

Date: 16/11/18

By the Minister for Employment and Workplace Safety, Rachel Stephen-Smith