



Andrew Barr MLA

Chief Minister

Treasurer

Minister for Social Inclusion and Equality

Minister for Tourism and Special Events

Minister for Trade, Industry and Investment

Member for Kurrajong

Mr Tom Duncan
Clerk
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601

Dear Mr Duncan

Thank you for your letter of 14 May 2019 regarding petition No 11-19 lodged by Mr Coe MLA on behalf of certain Australian Capital Territory residents.

The petition brings to the attention of the Legislative Assembly concerns around the *Motor Accident Injuries Bill 2019* (the Bill). In particular, the petition raises concerns that the Bill will remove or significantly restrict rights to compensation of ACT residents who are injured in a motor vehicle accident and will result in insurance companies who provide third party insurance receiving super profits.

The Bill was passed by the Legislative Assembly on 16 May 2019 following a lengthy and rigorous debate. The Act establishes a new Motor Accident Injuries (MAI) scheme that better supports all people injured in a motor vehicle accident in the ACT.

The MAI scheme will deliver better outcomes for Canberrans by offering everyone who is injured in a motor vehicle accident, treatment, care and income replacement benefits for up to five years to support their recovery. People who are more seriously injured in an accident where someone else was at fault will still be able to make a claim for further support at common law.

This scheme will cover 40 per cent more Canberrans while reducing the cost of premiums. Premiums will be regulated by the Motor Accident Injuries Commission in accordance with guidelines and independent actuarial advice to ensure premiums are fully funded and are not excessive. The Act includes a broad regulation making power to allow a mechanism to be prescribed for what is reasonable actual profits and determine what the consequences are if actual profits differ from this. A regulation can be made in the future if monitoring by the Regulator indicates insurer profits might be higher than is reasonable for the industry.

ACT Legislative Assembly

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I note the community interest in this issue and hope that this information helps to alleviate the concerns of petitioners about the new MAI scheme.

Yours sincerely

A handwritten signature in black ink, appearing to read "Andrew Barr".

Andrew Barr MLA
Treasurer

29 JUL 2019