



# MEDIA RELEASE

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For Immediate Release

## **ACT Government's plan to remove fair compensation for victims of workplace injuries and motor accidents in Canberra**

(Joint statement by Athol Opas, President, ACT Law Society and Philip Walker, President, ACT Bar Association)

The ACT Law Society and ACT Bar Association are greatly concerned that motor accident victims and injured workers will face a dramatic reduction in the assistance they will receive if the ACT Government proceeds with proposed changes to compensation laws.

The Government's proposed changes will affect all ACT motorists and non government workers.

There has been no community consultation whatsoever about these changes. The Law Society and Bar Association only recently became aware of the proposed changes.

Currently, ACT compensation laws ensure that a person who is injured by the negligence of another person receives fair compensation sufficient to restore that injured person, as best as possible, to the position they would have been in had the accident not occurred.

Legislative reforms now proposed by the ACT Government will be the first ever major reduction in the fair compensation entitlements of people injured in the Territory. The proposed reforms are at odds with the ACT Government's declared position against reducing fair compensation for injured people. The Chief Minister has previously indicated that he was opposed to the introduction of thresholds and caps on compensation payments for people injured in Canberra. The Government maintained this position throughout the so called "Insurance Crisis". The Law Society and the Bar Association ask "Why introduce it now? Where is evidence of the need for change and why the rush?"

The need for these changes is yet to be demonstrated. The Government has provided no evidence that the proposed changes, which will apply to ACT motorists and non government workers, will result in:

- increased competition by CTP insurers in the ACT;
- a reduction in CTP premiums for ACT motorists; or
- redirect any additional funds towards the rehabilitation of injured motorists and workers.

The only guaranteed outcomes of the reforms are increased profits to insurers and a major reduction in the compensation entitlements of ACT motorists and workers, with resulting hardship on injury victims and their families who would have to place greater reliance on the public health system and social security benefits.

The Law Society and Bar Association urge the ACT Government to rethink the changes in their entirety and to discuss alternatives to any perceived concerns. If Government intends to proceed with the changes, the Law Society and Bar Association urge the ACT Government to allow a realistic timeframe for public consultation before introducing bills in the Legislative Assembly.

The amendments would:

- prevent a large number of seriously injured motorists and injured workers from obtaining compensation for pain and suffering;
- prevent a large number of negligently injured workers from obtaining fair compensation (ie Common Law damages) and instead limit many negligently injured workers to only obtaining statutory workers compensation;
- impose an upper limit on general damages which will impact upon the most catastrophically injured people;
- reduce compensation including for future medical treatment expenses and care by increasing what is known as the “discount rate” on compensation for future expenses;
- remove a right to claim interest on damages even in cases where injured persons may have to wait months or years before receiving compensation; and
- through the use of medical assessors appointed by the government’s representative, remove the courts’ ability to assess individual accident victims and compensate them accordingly.

END

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