



The New South Wales Bar Association

MEDIA RELEASE 17 February 2012

MOTOR ACCIDENT VICTIMS WILL SUFFER UNDER GOVERNMENT PLAN

Victims of motor accidents are the big losers under radical plans announced by the State Government today which will cut benefits under the NSW CTP scheme.

‘The Government’s plan to introduce a no-fault scheme will deny accident victims legal representation and endanger their right to proper compensation’ said the President of the New South Wales Bar Association, Phillip Boulten SC.

“The Government is blaming legal costs for increases in green slip prices, when in fact figures from the Motor Accidents Authority's latest annual report show legal and investigative costs have fallen over the last four years” he said.

The legal profession has offered its assistance to Minister for Finance and Services Greg Pearce MLC to work with the Government to help reduce scheme costs and participated in a Government review of green slips, the results of which never been released. The Government has ignored this offer and now plans to cut benefits to the injured.

The attack on the rights of the injured comes while motor accident insurers are making excessive profits under the existing scheme. “Over the last decade insurers have retained profits on average over 20%. These super profits are projected to exceed \$1.5 billion”. Mr Boulten said.

A similar scheme has been introduced in Victoria, where motor accident victims are cut off from benefits for lost wages after two years and are then forced to live off Centrelink benefits. If NSW adopts this kind of approach, motor accident victims will be faced with the loss of the family home when they will be unable to meet their mortgage repayments.

“The Government has missed the opportunity to curb these entirely disproportionate insurer profits, while at the same time removing the right to legal representation, leaving motor accident victims alone to contest cases with insurers” Mr Boulten said.

The Motor Accident Authority’s own study reveals that unrepresented parties get significantly less compensation for the same injuries compared to those who have legal representation.

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“The New South Wales Bar Association calls on the Government to engage in a meaningful discussion about the rights of the injured and insurer profits under the NSW CTP scheme.”

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