



# Media Release

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## RAC responds to the introduction of no-fault CTP insurance in WA

RAC has welcomed the State Government's Green Paper on the introduction of no-fault compulsory insurance for catastrophic injuries in WA.

RAC Executive General Manager Advocacy & Members Pat Walker said RAC supports Option 2 of the Green Paper but has serious concerns about the proposed costs.

"RAC has sought expert and independent advice on the cost of introducing a no-fault catastrophic injury compulsory third party (CTP) scheme, which has questioned the \$109 figure put forward in the Green Paper," Mr Walker said.

"The introduction of a no-fault catastrophic injury CTP scheme is an important social issue, and one that our members are telling us they support. However, the estimated cost for the introduction of this scheme at \$109 per family vehicle per year is significantly higher than what other states currently pay.

"We have genuine concerns that this figure does not reflect the true cost of introducing such a scheme, and also that it incorporates an element of double charging and cost shifting."

The RAC surveyed 1833 people, including 980 RAC members and found the majority were in favour of a no-fault scheme covering catastrophic injuries, but found the level of support was very sensitive to price increases. The cost increase from \$291 a year to \$400 a year was a significant cause for reticence to support the scheme.

"Financial analysis provided to the RAC indicates the premium increase is high. Given this increase comes at a time when households are already under pressure following the 24.7 per cent rise in vehicle licence fees, the Government's calculations must be accurate and justified."

RAC has called on the State Government to respond to the following key concerns prior to implementing the no-fault compulsory insurance scheme in WA:

- Key Concern 1: Comparative cost of CTP premiums to other states.
- Key Concern 2: Duplication of cost to Western Australians.
- Key Concern 3: Increasing cost of motoring for WA motorists.
- Key Concern 4: Alignment to Road Safety Strategy and Towards Zero.
- Key Concern 5: Hypothecation of CTP premiums and surpluses.
- Key Concern 6: Governance of the CTP scheme and the impacts of privatisation.

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