

A white car is shown from a side-rear perspective, driving on a road. The car's side mirror and part of the rear window are visible. The background features rugged, dark mountains under a cloudy sky. The overall tone is somewhat somber and atmospheric.

Model Designs **Citizens' Jury for ACT CTP Scheme**


March 2018

Four Proposed Models

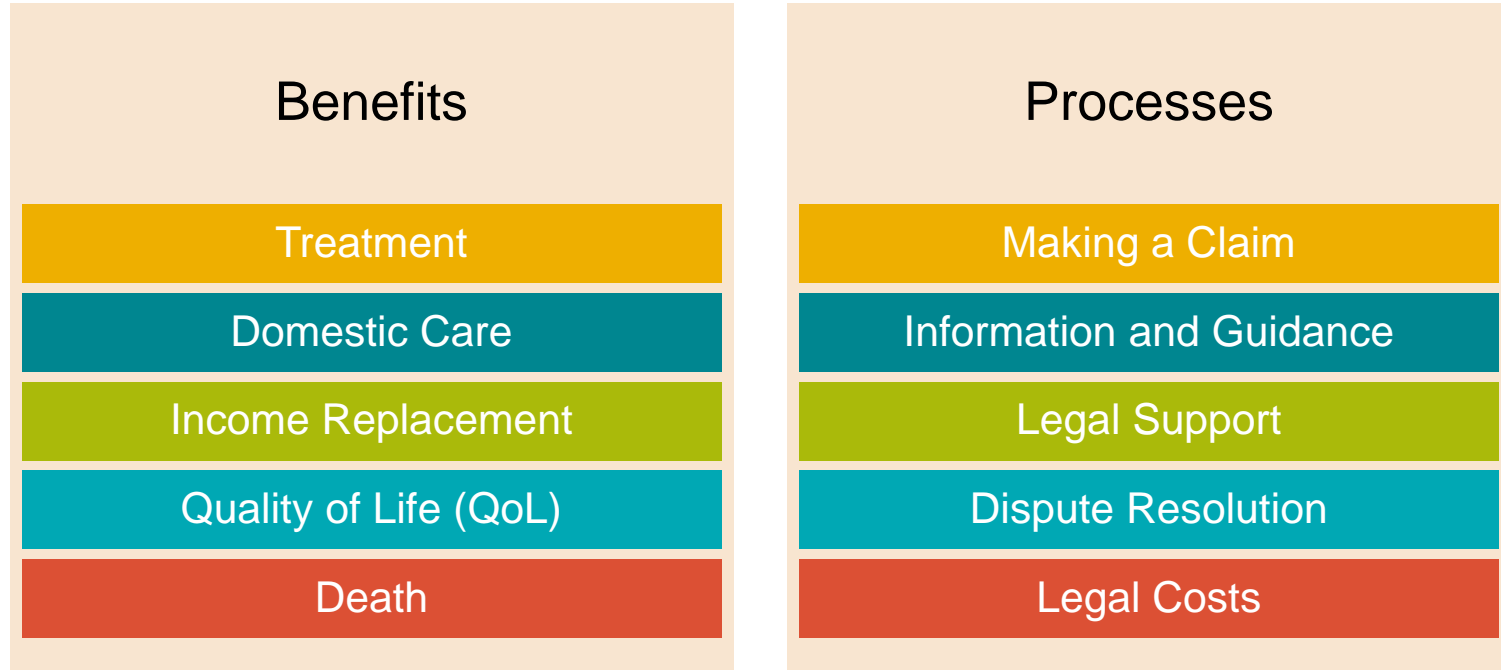
Each model is structured and defined by:

- Benefits available to injured people regardless of fault – the “defined benefits”
- Benefits available via common law (legal action) for injured people who are not-at-fault

The concept for the different models:

Current	Progression from A to D
A	 <p>More change from current scheme</p> <p>Higher benefits available to all injured people</p> <p>More limitations on common law for not-at-fault claimants</p>
B	
C	
D	

Understanding the Models



Model A

Benefit Type	For all: Defined benefits	Available to not-at-fault: (additional benefits via common law)
Treatment	6 months	Unlimited
Domestic care	6 months Paid care only	Unlimited Includes gratuitous care
Income replacement	6 months 95% of pre-injury earnings for first 3 months 80% thereafter Low income adjustment	No time limit 100% of loss of past earnings and future earning capacity + Superannuation
Quality of life	Nil	Guidance scale based on Injury Scale Value
Death	Funeral cost	Funeral cost + common law for dependants

Similar to the current scheme, but defined benefits for up to 6 months available to all

Model B

Benefit Type	For all: Defined benefits	Available to not-at-fault: (additional benefits via common law)
Treatment	12 months	Unlimited
Domestic care	12 months Paid care only	Unlimited Includes gratuitous care on the 6/6 rule ²
Income replacement	12 months 95% of pre-injury earnings for first 3 months 80% thereafter Low income adjustment	No time limit First 12 months: as per defined benefits After 12 months: 100% of loss of earning capacity (future earnings) + superannuation
Quality of life	Nil	Maximum \$500,000 Amount based on ISV and guidance scale
Death	Funeral cost + \$50,000 if dependants	Funeral cost + common law for dependants

Defined benefits up to 12 months. Scaling of common law QoL payments provides lower amounts than in Model A for less serious injuries, resulting in lower premiums

Model C

Benefit Type	For all: Defined benefits	Available to not-at-fault: (additional benefits via common law)
Treatment	5 years	Unlimited
Domestic care	5 years Paid care only	Unlimited But with limitations on gratuitous care
Income replacement	2 years 95% of pre-injury earnings for first 3 months 80% thereafter Low income adjustment Extended to 5 years for WPI 10% or above	No time limit First 12 months: as per defined benefits After 12 months: 100% of loss of earning capacity (future earnings) + superannuation
Quality of life	Maximum \$350,000 Benefit based on WPI Threshold: No benefit if WPI below 5%	Maximum \$500,000 Amount based on WPI (with ranges) Threshold: no benefit if WPI below 10%
Death	Funeral cost + up to \$250,000 if dependants (\$150,000 for spouse, \$25,000 per child)	Funeral cost + common law for dependants

Defined benefits are extended to 2 or 5 years. QoL payments are available to all, but subject to thresholds based on Whole Person Impairment (WPI).

Model D

Benefit Type	For all: Defined benefits	Available to not-at-fault: (additional benefits via common law)
Treatment	5 years	Limited to 5 years if WPI below 10%
Domestic care	5 years Paid care only	Limited to 5 years if WPI below 10% Paid care only (no gratuitous care)
Income replacement	5 years 95% of pre-injury earnings for first 3 months 80% thereafter Low income adjustment	Limited to 5 years if WPI below 10% No time limit if WPI 10% or above First 12 months: as per defined benefits After 12 months: 100% of loss of earning capacity (future earnings) + superannuation
Quality of life	Maximum \$350,000 Benefit based on WPI Threshold: No benefit if WPI below 5%	Maximum \$500,000 Amount based on WPI scale Threshold: No benefit if WPI below 10%
Death	Funeral cost + up to \$350,000 if dependants ((\$190,000 for spouse, \$40,000 per child))	Funeral cost + common law for dependants

Defined benefits are extended to 5 years. QoL payments are available to all, but subject to thresholds based on Whole Person Impairment (WPI).

Entitlements

Benefit Entitlements

Treatment (also known as “Medical”)

Care – domestic and personal services, whether paid or unpaid (“gratuitous”)

Income replacement

Quality of life (compensation not linked to financial loss)

Death

Treatment

	Model A	Model B	Model C	Model D
Available to all	6 months	1 year	5 years	5 years
Not-at-fault	Unlimited	Unlimited	Unlimited	Limited to 5 years if WPI below 10%

Reasonable and necessary treatment



Reasonable and necessary treatment

Applies Clinical Framework for the Delivery of Health Services (as modified for the ACT) based on five principles:

- 1 Measure and demonstrate the effectiveness of treatment
- 2 Adopt a biopsychosocial approach
- 3 Empower the injured person to manage their injury
- 4 Implement goals focused on optimising function, participation and return to work
- 5 Base treatment on the best available research

Domestic Care

	Model A	Model B	Model C	Model D
Available to all: paid care only	6 months	1 year	5 years	5 years
Not-at-fault	Unlimited	6/6 rule applies to gratuitous care	Limits on gratuitous care: 6/6 rule Minimum wage GvK only	Paid care only Limited to 5 years if WPI <10%

Care can be

Commercial (paid)
Gratuitous (unpaid)

6/6 rule

Care needed for at least six hours per week and for at least six months

Pay rates

Commercial: \$40-50 /hr
Minimum wage: \$20 /hr

Income Replacement

		Model A	Model B	Model C	Model D
Available to all: Lost earnings	Duration	6 months	12 months	2 years 5 years if WPI 10%+	5 years
	% of pre-injury earnings	95% first 3 months, then 80% Low income adjustment	95% first 3 months, then 80% Low income adjustment	95% first 3 months, then 80% Low income adjustment	95% first 3 months, then 80% Low income adjustment
	Max weekly income replaced	\$2,250	\$2,250	\$2,250	\$2,250
Not-at-fault: Includes loss of future earning capacity	Duration	No time limit	No time limit	No time limit	Defined benefits only if WPI below 10% No limit if WPI 10%+
	% of pre-injury earnings	100% + super	Defined benefits first 12 months (no super), 100% + super thereafter	Defined benefits first 12 months (no super), 100% + super thereafter	Defined benefits first 12 months (no super), 100% + super thereafter
	Max weekly income replaced	\$4,500	\$4,500	\$4,500	\$4,500

Income Replacement

Percentages &
Step-Downs

Time
Limits

Reimbursement
of Sick Leave

Common Law
'Top-Up' Payments

Defining
'Earnings'

Maximum
Weekly Amount

Partial Income
& Earnings

Capacity
to Work

Income Tax

Superannuation

Quality of Life Compensation

		Model A	Model B	Model C	Model D
Available to all	Threshold	n/a	n/a	WPI 5%	WPI 5%
	Maximum	n/a	n/a	\$350,000	\$350,000
	Calculation of amount	n/a	n/a	WPI scale	WPI scale
Not-at-fault	Threshold	None	None	WPI 10%	WPI 10%
	Maximum	\$500,000	\$500,000	\$500,000	\$500,000
	Calculation of amount	ISV + guidance	ISV + guidance	WPI + ranges	WPI scale

Instrument

Whole Person
Impairment
Injury Scale Value

Threshold

5% WPI
10% WPI

Scales

Points to dollars
Ranges

Death Benefits

Funeral – reasonable costs to a maximum of \$15,000

A lump sum payment if the deceased person has dependants:

- \$50,000 in Model B
- Up to \$250,000 in Model C
\$150,000 for spouse, \$25,000 per child up to 4 children
- Up to \$350,000 in Model D
\$190,000 for spouse, \$40,000 per child up to 4 children

Any lump sum will be paid to the estate

Common law 'compensation to relatives' claims unchanged



Support & Dispute Resolution

Support and Disputes

Information	Multiple channels
Notifying a Claim	Paper Online Telephone App
Support	Insurers Lawyers
Dispute Resolution	Defined benefits Common law Medical experts

Moving from Defined Benefits to Common Law

During the six-month defined benefits period, the injured person can focus on recovery and determine whether someone else was at fault

If at 6 months the outcome in relation to determining fault is:

The injured person was at fault:
benefits cease

The injured person was not at fault:
the person may make a common law claim

Disputed
benefits cease and the injured person will go to common law to prove fault

Example is for model A – 6 months defined benefits

Other Coverage Issues

Blameless accidents: deemed at fault

Minors: no contributory negligence

Illegal activities: reductions and exclusions

Contributory negligence: applies only to excess of common law over defined benefits

Fraud minimisation: incentives and regulator obligation