

WA third-party insurance seen as faulty

■ **Andrew Probyn**

Federal Political Editor

For just 71¢ extra a week, WA drivers could fully insure themselves and their passengers against catastrophic injury and disability — regardless of fault, according to Federal Financial Services Minister Bill Shorten.

Mr Shorten is urging WA Treasurer Christian Porter to overhaul WA's compulsory third-party insurance scheme.

Unlike Victoria and NSW, which have vehicle insurance schemes with lifetime care for catastrophic injuries regardless of blame, WA's fault-based

system restricts claims to where negligence is proved.

Mr Shorten said the Productivity Commission found that if WA moved to a no-fault compulsory third party insurance scheme, it would cost owners just \$37 extra a year and still be the cheapest in the country.

Mr Shorten cited a 46-year-old WA man who became a quadriplegic with third-degree burns in a motorbike accident 16 years ago.

It took the man eight years in the courts to prove he was not at fault before getting a payment for his care but lost half the lump sum to his partner when they broke up.

If the man had the same accident in Victoria or NSW, he would not have had to go to court, nor would his carer services come from the lump sum.

In WA, it costs \$440 (plus GST) to register a passenger car with compulsorily insurance, compared with Victoria (\$600) and NSW (\$700).

In Queensland and South Australia, which have fault systems like WA, it costs \$636 and \$661 respectively.

Mr Porter said Treasury's "very preliminary" view was that the Productivity Commission understated the true cost of the move and it would need to be "business-cased".



Fairer: Bill Shorten