



THE LAW SOCIETY
OF NEW SOUTH WALES

Our ref: ICC:JvdPsb014122

14 December 2022

The Hon. Chris Rath, MLC
Committee Chair
Standing Committee on Law and Justice
Legislative Council
Parliament House, Macquarie Street
Sydney NSW 2000

By email: law@parliament.nsw.gov.au

Dear Mr Rath,

2022 Review of the CTP Insurance Scheme – Question on Notice

Thank you for the opportunity to provide answers to questions taken on notice by the Law Society of New South Wales during the hearing on 18 November 2022 as part of the Standing Committee on Law and Justice's (**Standing Committee**) 2022 Review of the CTP Insurance Scheme.

The Deputy Chair of the Law Society's Injury Compensation Committee, Mr Leigh Davidson, appeared on behalf of the Law Society before the Standing Committee.

The Law Society's responses to the questions taken on notice during that appearance are provided below.

Question

The Hon. GREG DONNELLY: Is it usual for a judge to correspond directly with the Law Society with respect to expressing views about a particular matter which is currently before a parliamentary inquiry?

LEIGH DAVIDSON: Not to my knowledge, but I can take that on notice, if you'd like.

The Hon. GREG DONNELLY: Take that on notice. Does the Law Society intend to respond to the correspondence from the judge?

LEIGH DAVIDSON: Again, I think we were just copied in on it. I think it was more for our information, to be aware of it. To my knowledge it is not the intent to respond to it.

The Hon. GREG DONNELLY: We will ask you, on notice, to raise that with the president of the organisation.

LEIGH DAVIDSON: Yes

Answer

We note that the relevant correspondence was merely copied to the Law Society, and, as such, the Law Society does not intend to respond.

Question

The CHAIR: This is a question to all witnesses. Do you think that there is any benefit in moving from a third-party scheme to a first-party scheme?

...

The CHAIR: Mr Davidson, do you have any observations?


LEIGH DAVIDSON: The Law Society hasn't got a current position on it, to my knowledge. I am happy to take that on notice, but I will say this in my personal capacity: A first-party scheme comes with a host of problems, particularly from an uninsured liability perspective. People of lower socio-economic groups, even in a compulsory scheme, tend to be left uninsured in certain circumstances. You will see a rise, in a first-party scheme, of uninsured vehicles simply because in a third-party scheme you've got broader coverage. I think you just need to be alert to the fact that, whilst we have a nominal defendant scheme now, how that would operate in a first-party scheme could be quite challenging—just food for thought.

Answer

The Law Society does not see any benefit in moving from a third-party scheme to a first-party scheme. As discussed by the other witnesses during the hearing, a first-party scheme would risk generating unacceptably high premiums and a curtailment of benefits received by those injured in motor vehicle accidents. Further, we reiterate the concerns raised by Mr Davidson around the problems of such a scheme from an uninsured liability perspective.

Thank you again for the opportunity to contribute to this inquiry. Should you require any further information, please contact Sophie Bathurst, policy lawyer on 02 9926 0285 or email sophie.bathurst@lawsociety.com.au.

Yours sincerely,



Joanne van der Plaats
President