



Institute of Actuaries of Australia

XIth Accident Compensation Seminar 2007



Victorian transport accidents

Paul O'Connor

CEO, Transport Accident Commission

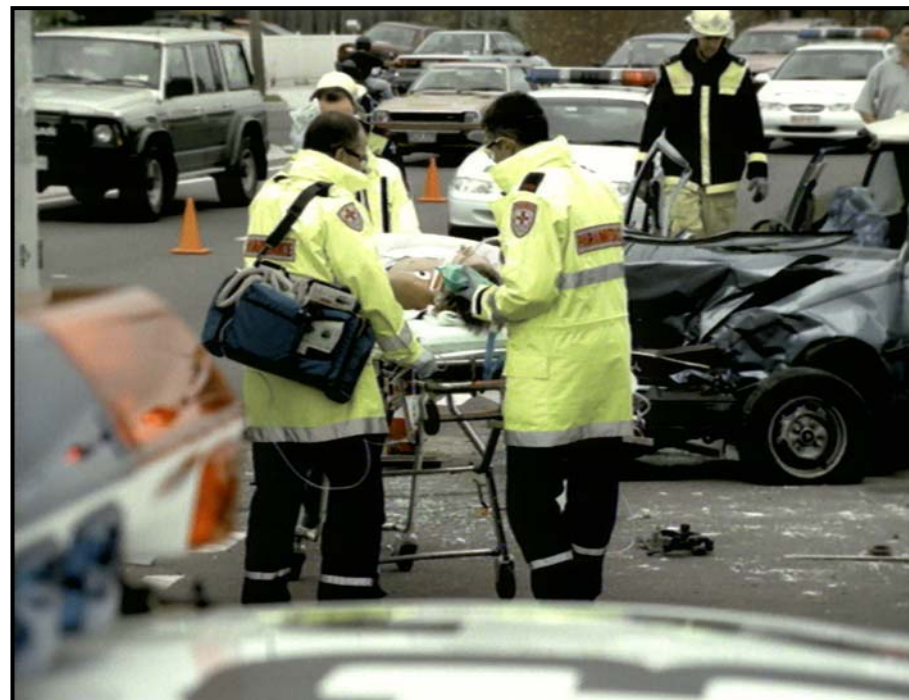
The TAC

What the TAC does

- Road safety education
- Accident compensation.

The TAC indemnifies

- Victorian registered vehicles
- All Victorian land-based transport systems.



Demographics

- Victoria
 - 227,600 square kilometres.
- Roads and users
 - 22,320 kms arterial roads and 52,684 lane kms
 - 3.4 M licensed drivers in 3.868 M registered vehicles.



Accident compensation principles

- Community responsibility based on collective insurance
- Comprehensive entitlement to benefits
- Complete rehabilitation with full restoration of potential
- Real compensation for lost income
- Administrative efficiency, ensuring value for money.

"Injury from accident demands attack on three fronts. The most important is obviously **prevention. Next... is the obligation to **rehabilitate** the injured. Thirdly, there is the duty to **compensate** them for their losses".**

Sir Owen Woodhouse 1967

How do we make it work?



1. Reinforce accident prevention
2. Control participation
3. Adequate compensation
4. Avoid discrimination
5. Avoid delays
6. Control legal costs
7. Prevent fraud
8. Encourage rehabilitation.

Seven areas of focus

**Deliver statutory
benefits to clients**

**Service
delivery**

**Scheme
viability**

**Help limit
transport injuries**

1

Community

**The right intervention
by the right person at the right time**

2

**Claims
management**

3

**Health
infrastructure
and support**

4

**Legal
infrastructure
and support**

Key enablers

5

People

6

Technology

7

Finance, risk management and planning

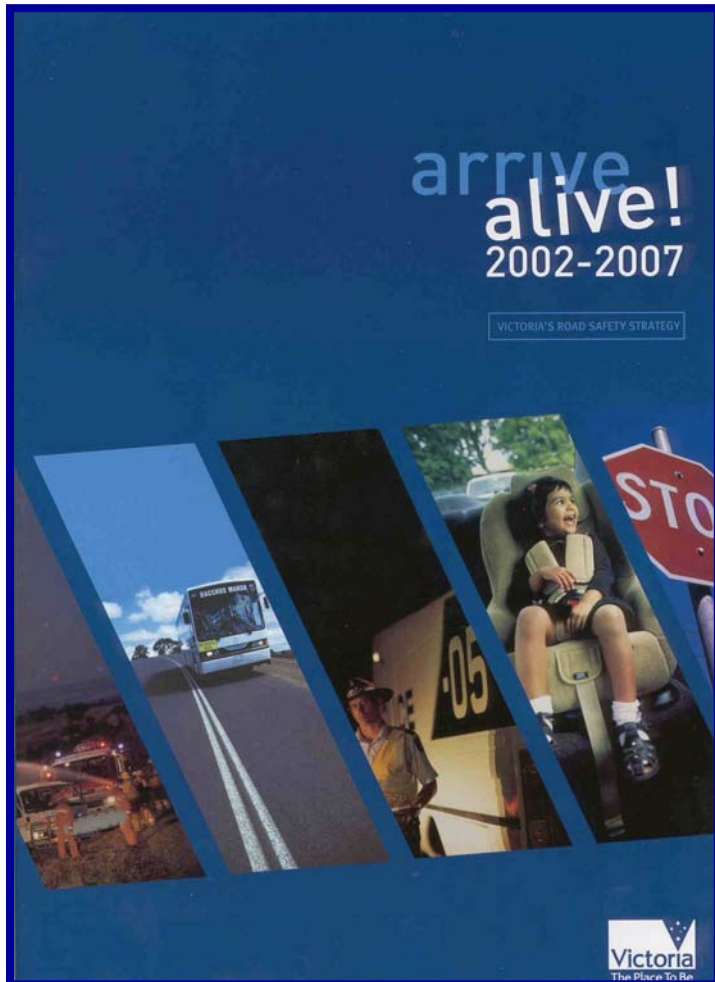
Accident prevention

Focus

- Sustained attitudinal change
- Responsible behaviours
- Strong public and media support.

Changing behaviour

- Through public education
 - Emotive
 - Instructional.
- Providing enforcement support
 - Data systems
 - Enforcement activity.



‘Safe system’ approach

- **Safer road users** – sustained behavioural changes
- **Safer vehicles** – surviving a crash without major injury
- **Safer roads** – improved infrastructure to reduce chance of crashes causing death or serious injury



Each 10% reduction in death and serious injury is estimated to save the Victorian community \$280M annually.

Safer roads

Before



After



10 minutes...



10 hours...



10 days...



10 weeks...



10 months...



10 years...



Claims management

Areas of claims management focus

Focus on major liabilities

To ensure key value-at-risk areas are consistently well managed.

Effectively use resources

To ensure administration expenditure is optimised and the scheme always delivers 'value for money'.

Segment by risk/needs

To ensure claim risks are proactively mitigated, and client support needs are efficiently and effectively met.

Utilise expert provider advice

To ensure provider input and expertise are leveraged to benefit clients and the scheme.

Focus on outcomes

To ensure factors that lead to variable outcomes are identified and managed, and that learning from outcomes drives continuous scheme improvement.

Claims focus is on 'value at risk'



Benefit	Liabilities	Duration
Lifetime care (41%)	\$2.2B	21 years
Common law (26%)	\$1.3B	4 years
Income (9%)	\$500M	11 years
Paramedical (9%)	\$450M	14 years
Other (15%)		

Geelong- from plan to reality

TAC takes the next step

Peter Taylor

THE Transport Accident Commission is poised to launch a tender campaign for a developer to build its 100-million-plus Geelong home.

The commission will trade 13,000 sq m of space over 10 floors at 222 Exhibition St for the controversial relocation, due by 2009.

"We are expecting in the very near future to go to an expression of interest project," a commission spokeswoman said. "The TAC has not decided whether it would move into a new, purpose-built premises or seek existing office space, she said.

But agents said there was no building in Geelong big enough for the commission's 50 staff and a new office complex would almost certainly have to be built. "By my calculations they would want something like 15,000 to 20,000 sq m," Geelong agent Rick Cleveland said. "That's massive for the office space. There are no other people in the market working on building projects and all in a grade space," he said.



Careful, a still from the latest TAC advertising campaign.

invest development arm and a lot of time spent around the western wedge."

The western wedge was central area planned for regeneration and a light rail for the new TAC site, Mr Cleveland said. "It's a bit like the transformation that's taking place in the Docklands but on a Geelong scale," he said.

He declined to estimate a development cost, but the bid could top \$100 million.

Previously, bid was to purchase a new office complex of the same scale as another regional centre, Bundoora, costing \$100 million, and to relocate to Geelong six years, nearly higher.

The commission's lease on Exhibition St space expires October 2008, but it has yet to decide what it would do with space after leaving at least a year, the spokeswoman said. Gallery International spokesman said expected the 10 spaces, which require more because it was reorganising would be leased quickly. "There's not too many options available up there, particularly in a grade space," he said.

Officers at the marketing agency for 222 Exhibition St, CB Richard Ellis Victoria.

Commission opens Geelong shopfront

TAC starts moving in

KEVIN WHEATLEY

A ONE-STOP SHOP for the 500 million Transport Accident Commission's new Geelong three storey office tower is under way.

The two-person TAC shopfront at 222 Yarn is the TAC's beach head in the region, opening in January 2009, relocation as an independent office in a new office building. "That's the nature of the office space. There are no other people in the market working on building projects and all in a grade space," he said.



John Leander (left) speaks with the TAC's Neil Pinner and other TAC staff at the new office in Yarn St.

before the main election and three months before the government's end of year budget. The TAC has not decided whether it would move into a new, purpose-built premises or seek existing office space, she said.

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Building rush reshapes Geelong

Mark Phillips

Geelong is a sleepy town, but it's waking from its slumber. A massive number of major developments are under way, and the town is being reshaped.

The town is being reshaped by a massive number of major developments. The town is being reshaped by a massive number of major developments. The town is being reshaped by a massive number of major developments.



A photograph of a building under construction.

A brand new look and feel? Building activity has been steadily increasing in Geelong, which has a population of about 200,000, over the past few years.

The town is being reshaped by a massive number of major developments. The town is being reshaped by a massive number of major developments. The town is being reshaped by a massive number of major developments.



A photograph of a building under construction.

has now reviewed their whole design. "The plans will give us a brand new look and feel."

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A photograph of a building under construction.

Move to create 'a lot of

LEADERS from Geelong's major organisations have expressed excitement at confirmation Victoria's TAC office is moving to the city.

The city's educational, sporting and business organisations say the move will have a number of benefits for the city.



A photograph of a group of people.

State Government approves relocation plans

TAC move green light

State Government approves relocation plans

The city's educational, sporting and business organisations say the move will have a number of benefits for the city.



A photograph of a group of people.



A photograph of a group of people.

Big plan gets local backing

KEVIN WHEATLEY

It's another plan that's getting a lot of local support. The TAC's move to the city is seen as a major step in the town's development.

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New corporate campus

