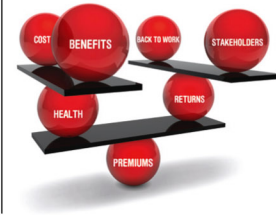


# Injury Schemes Seminar

**Balancing Outcomes**

10-12 November 2013  
Sheraton Mirage Gold Coast



## Scheme Update - NT CTP

**Lesley Anderson**

**Snr Mgr, Portfolio and Regulatory Affairs**

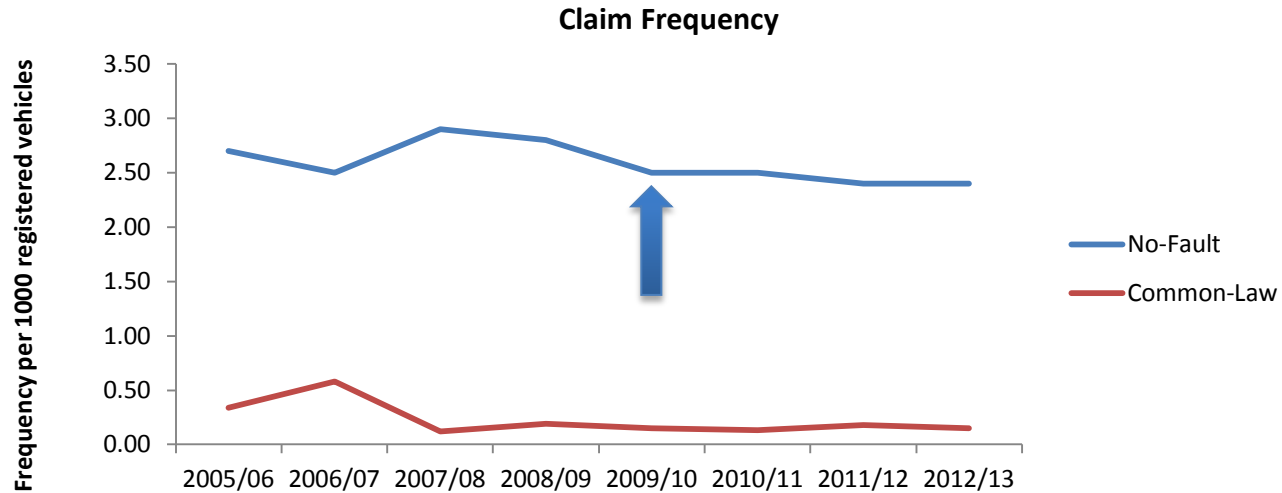
**TIO/MAC, Northern Territory**

**© TIO**

*This presentation has been prepared for the Actuaries Institute 2013 Injury Schemes Seminar.  
The Institute Council wishes it to be understood that opinions put forward herein are not necessarily those of the Institute  
and the Council is not responsible for those opinions.*



# Claim frequency trends



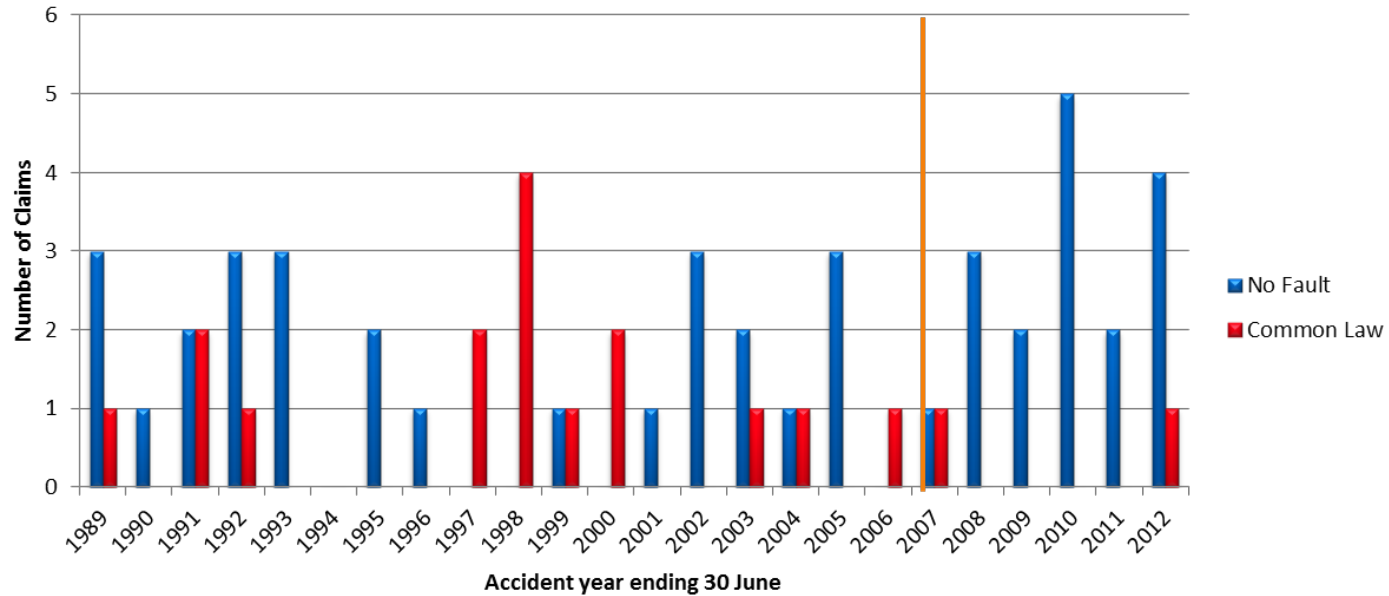
For 2012/13: No Fault frequency is 2.4

Common law frequency is 0.15



# Large Claims Experience

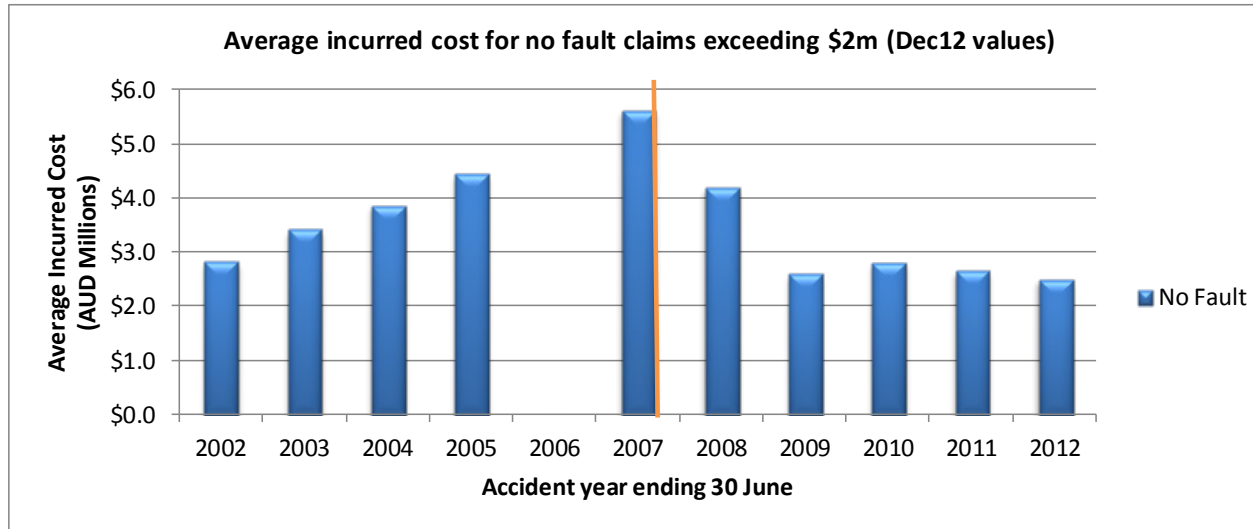
Number of claims with incurred cost above \$2m (Dec12 values)



Orange vertical line meant to denote reforms – needs to move to right one year!  
Two no fault claims in 2011/12 subject to interstate insurer recovery



# Cost of Large No-fault Claims





# MAC-NIIS

- NT Government currently considering reforms for 1 July 2014, to coincide with commencement of NDIS launch site in Barkly region (around Tennant Creek)
- As already a no-fault scheme, MAC-NIIS can just be a subsection of the current MAC Act
- Key change is removing cap on attendant care hours, and increasing hourly rate for attendant care to a market referenced rate (current cap is 32 hours per week; hourly rate is 2 per cent of AWE which is currently \$28.17 per hour)
- NIIS is not required to apply retrospectively, but NT MAC might apply some retrospectivity for existing catastrophic injuries if the scheme is deemed to be able to afford it.



## Incremental increases in aged pension eligibility

- The incremental increase in qualifying age for the aged pension commences on 1 July 2017 when persons born between 1 July 1952 and 31 December 1953 will need to wait until age 65.5 years to qualify for the Commonwealth Government age pension.
- The final increment is on 1 July 2023 when persons born after 1 July 1957 will have to wait until 67 years to qualify for the age pension.
- Public expectation would be that compensation schemes would move up to fill in the gap.
- NT Government has already changed the legislation for Workers Compensation
- Changes to the MAC Act are included in the current package of amendments.



# Unregistered and Unregisterable Vehicles

- In the 2007 reforms, MAC arguably went too far by letting in private property accidents
- This gave rise to claims from injuries on unregisterable/non-compliant vehicles such as motor cross bikes and quad bikes
- Did this extend the boundary too far for a CTP scheme?
- BUT Transport authorities are currently workshopping what is good public policy from a registration perspective! This might make it harder for CTP?
- In the current NT reform package we are considering excluding all benefits to owners/drivers of unregistered/unregisterable vehicles (unless conditional registration has been allowed) on both public and private property
- A 3 month grace period will be allowed for unregistered vehicles



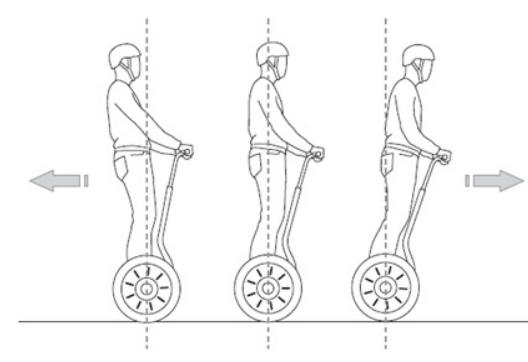






# Segways!!

- There is a tourism push in various jurisdictions to approve Segways for use in tourist locations eg Lakeside in Canberra
- NT Government has been approached for permission for East Point and the Waterfront tourist locations
- Under current NT Motor Vehicles Act, and the MAC Act, cover is provided for vehicles with power over 200 watts
- So in the Northern Territory, Segways are going to be a (conditionally registered) motor vehicle, and need to be included in the MAC scheme with a commensurate premium





# Inpex Project

- The **Ichthys LNG Project** is Inpex's flagship LNG development in Australia. It involves transporting natural gas from offshore north-west Australia to an LNG facility in Darwin via an 885km subsea pipeline.
- Work commenced on construction 12 months ago
- Case study in how to plan and handle a significant increase in truck traffic by improved road infrastructure, and truck awareness campaigns by Inpex



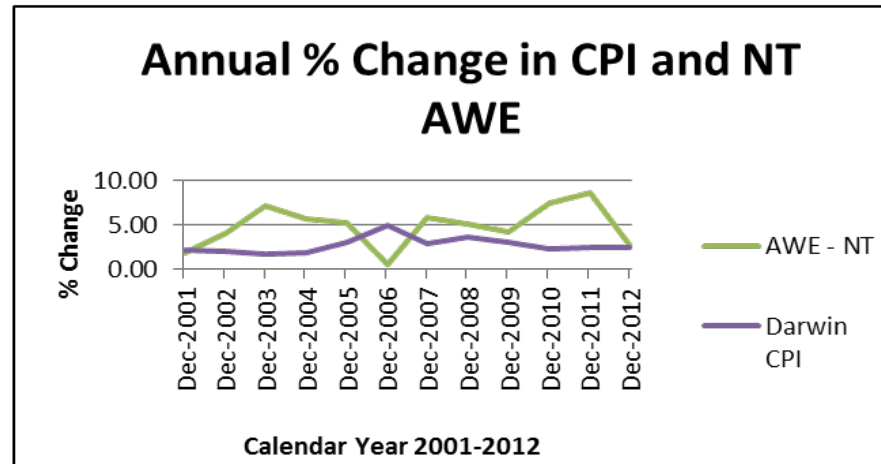
Never cut in front of trucks  
They can take twice as long as you to stop

**INPEX**  
We take your safety seriously



# Premium indexation

Commenced 1 July 2011, indexed by CPI  
Benefits are inflated by AWE





# Competent Person Review

- Legislation requires a “competent person review” at least every 3 years
- To be conducted in lead up to July 2014 premium
- Look at
  - a) results over the three years relative to fundamentals of premium,
  - b) indexation methodology,
  - c) vehicle class relativities and
  - d) estimated premium impact of the proposed package of reforms including MAC-NIIS, retirement age and unregistered vehicles



# Claim frequency trends

