



Senator Rod Kemp, Deputy Treasurer, is given the structured settlement proposal by Jackson and Judie, 16 July 1999.

One little boy

BY JUDIE STEPHENS, SYDNEY

I was forty-nine and on 27 November 1993 in a split second, our family was blown apart. My daughter Amanda and son-in-law, Jay were killed and left behind them three preschool aged children; Matthew (five), David (three) and Jackson (three-months). Jackson sustained a closed head injury and is a quadriplegic with visual impairment.

In Australia, the usual form of common law compensation is a lump sum.

This is not always the most appropriate form of compensation, particularly in cases involving serious injury and lifelong medical care needs.



Judie Stephens is a Law Reform Advocate based in Sydney. She recently received the Civil Justice Award at the APLA National Conference.

Structured Settlements

Structured settlements are an alternative form of payment of compensation. They are only available by choice at time of settlement of a claim. They usually involve the payment of a smaller lump sum in addition to the periodic payments.

Large lump sums can be difficult to manage, whereas a flow of periodic payments can ensure that an accident victim can meet their medical, rehabilitation and attendant care for as long as they live.

Structured settlements are used very effectively overseas in the UK, US and Canada, but not yet in Australia because there is currently a tax disincentive. I am lobbying with others including APLA to ensure that Treasury makes a small change to the *Australian Income Tax Act*.

The proposed tax law change will mean that the periodic payments received by the accident victim will not be taxable. This is a win-win-win solution; a win for the Plaintiff, win for the

defendant and win for the Australian taxpayer. Our accident victims will have the life long security of their structured settlement and they will not need to double dip into social security.

I salute the wonderful efforts of Danna Vale MP, Federal Member for Hughes who arranged a meeting with the Prime Minister's Office and spoke in the House of Representatives and Senator Alan Ferguson who also spoke about the social and economic sense of structured settlements in the Senate last August. They are keen supporters of structured settlements. We have also had recent meetings with the Assistant Treasurer, Senator Rod Kemp, and other Federal Parliamentarians including Senator Helen Coonan, Margaret May MP and Tim Fischer MP. Indeed, I chased Treasurer Peter Costello around the corridors of Parliament House in Canberra!

If you would like to meet Jackson and look at the structured settlement proposal, I invite you to visit our community www.daretodo.asn.au website. 