



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 30 July 1998

MINISTERIAL STATEMENT
Compulsory Third-Party Insurance Premiums

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (3.46 a.m.), by leave: In accordance with the Motor Vehicle Insurance Act 1994, I table the recommendations of the Motor Accident Insurance Commissioner on the premiums, levies and administration fees to be paid for compulsory third-party—CTP—insurance policies for the 1998-99 financial year. That appears at Annexure A.

Honourable members will note that the recommendations made by the Motor Accident Insurance Commissioner in February 1998 are at variance with the premiums fixed by regulations tabled in the House this week. As a result, I am required to now inform the House of the reasons why the Motor Accident Insurance Commissioner's recommendations have not been accepted.

On 11 February 1998, the Motor Accident Insurance Commissioner advised the then Treasurer of the necessary increases to compulsory third-party insurance premiums required in the forthcoming financial year in order to maintain a fully funded scheme. Class 1 premiums, for example, needed to increase by \$13. The commissioner explicitly advised the former Treasurer that regulations must be made before 30 April 1998 in order that the increased premiums should take effect from 1 July 1998. The Government was warned that if CTP premiums did not increase on 1 July, the magnitude of the increase required would necessarily be greater in order to make up the shortfall caused by the delay.

I regret to inform the House that this warning was ignored and consequently Class 1 premiums have increased by \$16 rather than the \$13 increase that was originally recommended. That increase was required only because the previous Government took no action within the two and a half months available to it to make the necessary regulations.

The Beattie Labor Government was able to minimise the increase for Queensland motorists by acting swiftly to ensure that the new premiums took effect from September 1998. The Government also recovered a \$192,000 financial benefit that would otherwise have been realised by the Government's vehicle fleet due to the fact that the majority of vehicles are registered in July. These recovered moneys will be used to fund rehabilitation services for children who are victims of motor vehicle accidents. Through these measures, the Beattie Labor Government has ensured that the impact of the previous Government's inaction has been minimised. Queensland motorists have the security of a fully funded compulsory third-party insurance scheme and the Government vehicle fleet will pay its fair share. I table these documents for the information of honourable members.
