



Speech by

**Mr D. BRISKEY**

**MEMBER FOR CLEVELAND**

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Hansard 29 April 1999

**MOTOR ACCIDENT INSURANCE AMENDMENT REGULATION (No. 2) 1999**

**Disallowance of Statutory Instrument**

**Mr BRISKEY** (Cleveland—ALP) (4.13 p.m.): This Opposition has absolutely no credibility. I listened to Basil and Manuel, but they put forward no argument for moving this disallowance motion. Not one! For 10 minutes the member for Indooroopilly waffled on, but he did not raise one issue in relation to this disallowance motion. The member for Moggill, who moved this disallowance motion, did not give one reason for it. The Opposition has absolutely no credibility. This disallowance motion is disingenuous in the extreme. It is nothing more than a dishonest attempt to score cheap political points by misleading the people of Queensland. That is all it is.

The very premise upon which the Opposition seeks to attack this Government is fallacious. The Opposition has tried to insinuate that this Government's responsible decision to adjust compulsory third-party insurance premiums to ensure that the CTP scheme in Queensland remains fully funded is some sort of tax or Government charge. Let me be very clear: CTP insurance premiums are not a tax. Let me repeat that for the benefit of the Opposition: CTP premiums are not a tax; they are not a Government charge. The members opposite should not try to fool the people of Queensland and attempt to suggest that they are. CTP insurance premiums are just that, insurance premiums. The only reason that the Government is involved in the collection of CTP insurance premiums is that CTP insurance is compulsory.

As we are all aware, the revenue raised by CTP premiums goes to licensed insurance companies in this State to cover the cost of meeting claims made by those people who are injured in motor vehicle accidents. The Opposition's attempt to disallow this increase is at best deceitful. At worst, it represents gross fiscal irresponsibility. By seeking to disallow this premium adjustment, members opposite are suggesting that Queensland should no longer meet its financial obligations in terms of third-party insurance. By moving this motion, the members are proposing one of two things. Either the Opposition wants this Government—the taxpayers of Queensland—to rack up tens of millions of dollars in unfunded liabilities, or it is suggesting that the victims of motor vehicle accidents are not deserving of fair and proper compensation. I suggest that the people of Queensland would find those propositions irresponsible and grossly unfair.

This motion is cheap and grubby politics at its very worst. Given the complete ignorance that the Opposition displays of the workings of the CTP insurance scheme in Queensland, I will take some time to spell out exactly what the scheme is and why we have it. The CTP scheme has operated in Queensland since 1936—for more than 60 years. It was established to provide motor vehicle owners with a policy of insurance that covers their unlimited liability for personal injury caused by, through or in connection with the use of the insured motor vehicle anywhere in Australia. For those injured in motor vehicle accidents, the scheme provides access to the common law without restraint where the injured party can establish negligence against an owner or driver. The 1936 legislation ensured that Queenslanders injured in motor vehicle accidents through no fault of their own received compensation resulting in the removal of a significant cost burden to the community. This Act was enhanced by the 1994 legislation that allows for the provision of funds to meet ongoing medical and rehabilitation costs prior to the settlement of a claim.

The CTP scheme provides not only community protection but also reduces an accident victim's reliance upon publicly funded services. As it stands today, the CTP scheme is underwritten by six licensed private insurers who accept applications for insurance and manage claims on behalf of their policyholders. Premiums are set by regulation and cannot be varied by insurers.

If it had been left up to the insurance industry, Queensland motorists would now be facing a premium increase of up to \$80. It has been only through the diligence of this Government that the actual increase has been restricted to just half this amount. I remind the House that the Insurance Commissioner had actually recommended an increase in CTP premiums of \$52 a year. This Government rejected that recommendation as unacceptable. The Government is determined that the CTP scheme remains affordable. We held the rise to \$40 by cutting the CTP profit margin of the insurance companies from 8.5% to 6%. This reduction restores the insurers' profit margins to the levels that they were set at originally in 1994.

We are asking the insurance industry to bear some of the extra burden of CTP costs in Queensland rather than have the full weight fall on the shoulders of the motoring public. Let me stress that the premium increase is based on actuarial advice on the level of insurance claims expected in the 1999-2000 financial year. The bottom line is that without the premium increase there would not be sufficient money in the insurance scheme to meet the claims of motor vehicle accident victims.

I remind the House that last week the Treasurer announced a comprehensive review of the CTP scheme in this State. That review, to be headed by the highly respected former chief executive of Suncorp, Mr Bernard Rowley, will lay the foundations of a complete overhaul of CTP insurance in this State. Among other things, the review committee has been asked, as a matter of urgency, to consider an immediate amendment to the Motor Accident Insurance Act 1994 to prohibit the soliciting of injured persons to make claims under the Act. The review will examine submissions from all interested parties, including insurers, the legal profession and motoring bodies. It will also seek submissions from the public. The review committee will report back to the Government by 31 October.

The bottom line is that the review is aimed at ensuring that the CTP premium money goes to motor accident victims rather than into the pockets of the legal profession. The review will examine the fundamentals of the CTP scheme in Queensland, including the scheme's design and affordability and the appropriate role for Government in the scheme. This review is about ensuring that Queensland has a fully funded and affordable CTP scheme that looks after the interests of motor accident victims and not the interests of certain sections of the legal profession.

In recent years, there have been significant increases in both the size and number of CTP claims, much of which has been due to the entrepreneurial activities of some lawyers. We now have the situation where some lawyers are touting for business through tow truck operators, offering to litigate on a no win, no fee basis. The number of claims per thousand policies has risen from 3.13 in 1995-96, when legal advertising was deregulated, to a projected 4.39 in 1999-2000. Over this same period, the average claim size has risen from \$34,000 to \$42,000.

This disallowance motion is nothing more than a political stunt by a desperate Opposition. It does the honourable member for Moggill no credit to move it. He knows that this is not a Government increase, but an insurance premium increase. If the honourable member for Moggill is to be believed, there should be no increase in insurance premiums. What would happen then? Would insurers walk away from the CTP coverage in Queensland? Where would that leave Queensland motorists and their passengers? This disallowance motion is a political stunt that fools no-one.

As I said, the insurance industry wanted an \$80 increase and the Insurance Commissioner recommended an increase of \$52 per year. This Government has kept the increase to \$40. The Government has acted responsibly. The honourable member for Moggill, who moves this disallowance motion on behalf of the Opposition, is acting irresponsibly. Any increase in CTP premiums is unwelcome, but as a responsible Government we must ensure that the scheme is fully funded so as to properly compensate the victims of motor accidents. Of course such increases are never very palatable, but in the interests of all Queenslanders tough decisions have to be taken and we will not shrink from our responsibilities.

Time expired.

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