



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 27 April 1999

MINISTERIAL STATEMENT

Compulsory Third-party Insurance

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (9.45 a.m.), by leave: As the House would be aware, legislation was passed recently to ensure transparency and accountability in the oversight of the State's compulsory third-party insurance scheme. This legislation was long overdue, but on coming to Government we acted quickly to ensure that Queensland's CTP scheme remained fully funded and that advice from the Insurance Commissioner is acted on in a timely and responsible manner. The legislation now requires a Government to act on a recommendation from the Insurance Commissioner within two months of its receipt. It further requires a Government to detail the reasons for disagreeing with any recommendations from the commissioner.

This morning I table a recent report from the Insurance Commissioner. I table also a report outlining the reasons why this Government's decision on CTP premiums differs from the recommendations of the commissioner. I table also for the information of members a copy of the terms of reference for a comprehensive review of Queensland's CTP scheme.

Rises in compulsory third-party insurance premiums are never very palatable but at times, if we are to maintain a fully funded scheme, they are unavoidable. This Government has kept faith with the people of Queensland by acting quickly and decisively to ensure that this State's CTP scheme is indeed fully funded. This means that victims of motor vehicle accidents will continue to have full access to compensation from the scheme without recourse to the taxpayer.

Unlike the previous coalition Government, we did not bury a recommendation for a premium increase out of political cowardice. Instead, we tackled the issue openly, honestly and promptly. We rejected the Insurance Commissioner's recommendation for a \$52 premium increase and restricted the increase to \$40 by returning insurers' profit levels to what they were when the scheme was established in 1994. Further, we have announced a sweeping review of the entire CTP scheme. That review will examine the very fundamentals of the CTP scheme, its ongoing affordability and the factors that have contributed to such a sharp rise in claims activity in recent years. The review team will be headed by the highly respected former chief executive of Suncorp, Mr Bernard Rowley, and will report back to the Government by 31 October.

The difference between this Government and those members on the Opposition benches is that we are prepared to take the tough decisions, and when we take them the process is clear and transparent.
