



Speech by

DESLEY BOYLE

MEMBER FOR CAIRNS

Hansard 29 April 1999

MOTOR ACCIDENT INSURANCE AMENDMENT REGULATION (No. 2) 1999

Disallowance of Statutory Instrument

Ms BOYLE (Cairns—ALP) (4.32 p.m.): I am pleased to speak on this motion, although I am somewhat dismayed at the tenor of the debate so far from the other side of the House. This disallowance motion is irresponsible politics in the extreme. The mover of the motion, the honourable member for Moggill, Dr Watson, offers himself to this State as an alternative Treasurer. However, he well knows that were this motion to succeed it would put at risk the financial viability of Queensland's compulsory third-party insurance scheme.

Those members opposite who intend to vote in support of the motion of the member for Moggill are also being irresponsible in trying to appear to be against any rise in premiums. As though that were a realistic choice at this point! They are playing on our natural reticence to pay more. As though they would do otherwise were they sitting on this side of the House as the Government of this State! I was dismayed that the member for Moggill and the member for Indooroopilly offered to the House, far from any intellectual analysis of the existing situation, simply a pile of bitter memories of their former glory. It seemed to me that they were preoccupied with revenge and seeking to lay blame. I put it to honourable members that blaming is a big part of what is going wrong and is something which underlies the need for an increase in CTP premiums at this time. The honourable member for Moggill spoke about credibility. His lack of intellectual credibility in terms of offering this House alternative solutions is to be remarked upon.

Unhampered as I am by bitter memories of the past, I would prefer to speak about what is happening in our society and about that which is the responsibility of the Government to address at this time. I will read into the record some facts about the present situation. In November 1998, PricewaterhouseCoopers was appointed to examine the trends within the compulsory third-party insurance scheme and to recommend the appropriate premium level for 1999-2000, having due regard to all factors affecting the scheme. Submissions were received from underwriting insurers and other stakeholders representing the interests of motor vehicle owners. The actuarial analysis of the scheme examined claims experience up to December 1998 in respect of all insurers involved in the scheme.

On 4 February 1999, in accordance with the procedural requirements of the Motor Accident Insurance Act 1994, the Motor Accident Insurance Commission recommended the premium levels to apply from 1 July 1999. Based on actuarial advice, the commission's report recommended a Class 1 premium of \$298—an increase of \$52 from the 1998-99 premium of \$246. A copy of the commission's report is available for the information of members.

The underlying factors affecting the recommended rise in premiums were increasing claim frequency and claim size, annual inflationary impacts and lower rates of investment return. Increasing claim frequency was concentrated particularly at the lower end of claims. A significant part of the jump in claim frequency can be attributed to lawyer activity and legal services advertising. I suggest to honourable members that we should think about that last factor and consider the import in terms of the wider impact, even beyond CTP, of changes in legal practice in our society. Such thinking would open a door to a set of issues which underlies many of the additional costs to Governments, Government-related activities and private sector activity in the Australia of the nineties, and which will potentially escalate into the next century should we not change our direction.

Concerns have been expressed in the media and in this House about the increased level of claims activity and about how that is being driven by the entrepreneurial activities of some—of course it is not suggested all—members of the legal profession. Although I suggest to members that this reflects a change in legal practice in our society—a rebalancing of legal activity that places more emphasis on compensation claims—I suggest that there are more serious factors behind that.

I invite honourable members to step back with me in time to my growing years. My grandfather lived in Newcastle, New South Wales. Given the debate in the House earlier this afternoon, it is worth mentioning that my grandfather was a coalminer. He was a hardworking man who did his job and took sickies very rarely, if ever—certainly not in my memory. Occasionally he was injured or unwell, but his attitude was, "Sometimes life goes against you. Sometimes you don't always get your way. Sometimes things go wrong. But, Dele", as he used to call me, "you get on with it. You make the best of it. You perhaps say a little prayer for God's help, but you make the best of the life you've got." That was the attitude with which he brought me up. I dare say that would be the attitude of many parents and grandparents of honourable members.

My grandfather was involved in a minor car accident, which was not his fault, in the first car he owned. He did not seek to claim compensation. It was a matter of making the best arrangements that could be made. Although he received minor injuries, he did not give any thought, as was the way in the fifties in Australia, to suing for compensation; to finding somebody to blame and spending years of his life getting the most financially out of the accident that he could.

I now bring honourable members forward some time, to 18 months ago when in practice as a psychologist I was seeing a woman who had been injured in a relatively minor car accident, though she had nonetheless sustained some injury to her back that was not permanent in its damage but was undoubtedly causing her some pain. She told me how angry her husband was and how he paced the floor seeking who he could blame and encouraging her to pursue her claim for compensation through a solicitor. She went with her husband to a solicitor who said, "Here's how it goes. We ask for twice as much as you are going to get and we pursue it as hard as we can for six months. Then they will settle out of court and you will probably get \$10,000 out of it."

That, in fact, is the attitude that is prevalent in society in the nineties in Australia: who can we blame? No longer is life occasionally unfair. No longer do things sometimes go against us, but instead we have a mentality that is not the prerogative of Labor Party people or National Party people or non-political party people, but that is abroad in society of seeking to blame and seeking to sue and seeking financial compensation.

The sad thing, I must say to honourable members of this House, is that I have seen the nasty side effects that occur in people's lives from that legal preoccupation with blame. It slows people's recuperation, it disrupts them from getting on with their lives and it is, in the end, psychologically unsatisfying. That cheque for \$5,000 or \$10,000 for two or three years of proving a disability does not, in fact, make a person feel better at all.

It is that kind of attitude to litigation that is the basis on which lawyers can and are taking more time and more money through the legal system. It is that attitude that is making all of us in Government—not only in relation to the compulsory third-party insurance scheme, but all kinds of services—frightened of litigation, protecting our backs and frightened to make decisions for fear that we will be blamed, that we will be sued. It has developed, I would dare suggest to honourable members, a whole industry engaged in suing, in probity, in consultantcies, in blame avoidance, and that is why this House is facing an increase in premiums. We have no choice but to accept the financial probity at this time.

I commend the Treasurer, however, on the review that he is undertaking and on the important elements of that review, and I look forward to putting a submission to the review myself with the view to us curtailing unnecessary rises in compensation claims. It is a preoccupation that all of us in this House should have, because it is a matter that in its various forms will come before us again and again and again.
