



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 17 May 2000

MINISTERIAL STATEMENT

Compulsory Third-party Insurance

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (10.01 a.m.), by leave: As 1 July 2000 approaches, the pall of the GST is already casting its shadow over many aspects of Queensland society, including our compulsory third-party insurance premium. The current legislation effectively requires a premium review to be implemented on 1 July 2000, and the instrument implementing the report of the Insurance Commissioner was tabled in the Parliament yesterday afternoon.

As Treasurer, I would have been delighted to announce a price reduction in the premium for cars and station wagons. I suspect the owners of the 2.35 million Class 1 vehicles currently registered in Queensland would have shared that delight. Unfortunately, I cannot announce a fall at this time.

Despite the compulsory third-party insurance premium on cars and station wagons—Class 1 vehicles—falling from \$286 to \$260 from 1 July, I am prevented from announcing any savings for motorists. Despite the review of the CTP scheme—reform that will continue with the Motor Accident Insurance Amendment Bill that I introduced into the Parliament last night—I am prevented from announcing any savings for motorists.

How could this be? While the Beattie Government is successfully making this scheme more affordable for Queenslanders, the \$26 reduction in the premium payable will be wiped out by the Federal Government's GST.

Dr Watson: Aren't you getting the GST back, anyway?

Mr HAMILL: I will take that interjection. We are not getting an extra cent from the GST. The Leader of the Liberal Party is the apologist for Peter Costello in this House. We will not get one extra cent from the GST this year. Furthermore, about six weeks ago when I met with Treasurer Costello I was advised that in the year 2002-2003 Queensland would receive an additional \$85m because of the GST. That is a fairly long time to wait for such an increase. Yet, I note in the Budget papers, presented by the man that the member for Moggill continues to defend in this House, that Queensland's entitlement is now to be only \$68m in 2002-2003. I wonder how low it will go.

Dr Watson: Well, why did you sign off?

Mr HAMILL: The member for Moggill continues to defend his colleagues in Canberra. He asks why did Queensland sign off. There is one reason, and one reason only, why Queensland signed off.

Dr Watson interjected.

Mr SPEAKER: Order! The member for Moggill will cease interjecting.

Mr HAMILL: The reason was that if the Federal Government was going to successfully legislate to introduce a GST it was going to abolish financial assistance grants to the States and it was going to require the removal of various taxes. If those were not delivered, the Federal Government was going to withhold funding from Queensland. That is what the Leader of the Liberal Party would have liked to see happen because he could not care less. He does not care about the damage that is being done to Queensland through the policies of his colleagues in Canberra which he supports.

Dr Watson interjected.

Mr SPEAKER: Order! The member for Moggill will cease interjecting.

Mr HAMILL: I want to talk about third-party insurance. As I was saying, while the Beattie Government is successfully making this scheme more affordable for Queenslanders, the \$26 reduction in the premium payable will be wiped out by the Federal Government's GST which is so vociferously supported by the member for Moggill in this Parliament. The Federal Government's goods and services tax will add 10% to the \$260 premium, increasing the cost of premiums on cars and station wagons to—honourable members guessed it—\$286. The GST robs Queenslanders of this saving before they see it! So the day Queenslanders could have enjoyed \$26 extra in their pockets is the day the Federal Government puts out its hand for an extra \$26 in the name of "tax reform". This is further evidence of the fact that the Federal Government is misleading the Australian public when it suggests that taxpayers will be better off under its GST.

I would, however, point out that as a result of the CTP reform package which I introduced into the Parliament last night, we anticipate savings will flow to motorists from 1 October with the introduction of premium competition among insurers. What is more, these reforms will ensure that injured parties continue to have access to the common law and Queenslanders will continue to enjoy a CTP scheme which is both fair and affordable. Fair and affordable—that is something which cannot be said for the Federal Government's new tax—the goods and services tax.
