



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 31 May 2000

MOTOR ACCIDENT INSURANCE AMENDMENT BILL

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (12.34 p.m.), in reply: Over the years I have been a participant in quite a number of debates in this place about compulsory third-party insurance. This would have to be the quietest of all of those that I can recall, which I think demonstrates that all members in the House recognise the very good work that was done by the review committee in analysing the features of the Queensland compulsory third-party insurance scheme and recognise that the reforms that are being proposed in this Bill are reforms which have the public interest as the No. 1 priority.

The honourable member for Cairns mentioned the words "reasonable balance" in the context of the affordability index. Reasonable balance is a concept which runs right through these reforms. I know that there have been some issues raised by honourable members regarding matters to do with awards and limits on economic costs and issues to do with the payment of legal fees and so on. I want to remind all honourable members of this point: Queensland's compulsory third-party insurance scheme does not deny access to common law. It is a scheme which provides very substantial cover to injured parties in Queensland. Certainly we want to see a greater share of the moneys that are actually collected through premiums going to injured parties; that was one of the objectives that came from the review. But in order to have those goals achieved, there does indeed need to be reasonable balance, and the measures in the Bill seek to establish a reasonable balance; a reasonable balance in terms of affordability, a reasonable balance in terms of individuals' rights, a reasonable balance in terms of the level of premiums paid and the access that people have to justice in relation to their claims.

In response to an issue raised by the member for Gladstone in relation to legal costs, I might say that there are in fact a number of measures here which are really designed to minimise legal costs, to try to seek the resolution of claims before they get to the court. I have always said that, once you get to the court, it is not a case of whether you lose an arm and a leg; it is a question of whether you lose two arms or two legs. It is not a question of whether you win or not. Litigants generally are going to be losers. So if we can have the resolution of claims before getting to the stage where people are amassing considerable expense in the court, then I think that is a good thing. It means that there is a greater likelihood that injured parties will receive a greater quantum of damages and be able to address their particular needs and also that those needs will be addressed in a more timely fashion.

There were a number of specific issues raised on clauses. I do not intend at this juncture to try to deal with all of them, but I will try to deal with those which recurred. There were issues raised by the member for Gladstone and the member for Hervey Bay in relation to clause 40 of the Bill, which relates to access to information. I know that the member for Gladstone said that in other circumstances she would support this sort of provision, but not in this case. I remind the honourable member that the provisions here reflect provisions which were inserted into the WorkCover legislation back in 1996 by the former Government. There are parallels, because this is an insurance scheme, as is WorkCover, and they were deemed to be measures appropriate in relation to WorkCover to deal with the same sorts of problems of fraud that the Insurance Commissioner has to deal with regarding the compulsory third-party insurance scheme. So there is in fact a public interest imperative in relation to that provision.

I would like to comment on another point that was raised by the member. I know this was a heartfelt plea. She commented on whether there would be some discretion on the part of the Minister

to step outside of the strict provisions in the case of exceptional circumstances. I say to the honourable member: no, there is no such provision. Indeed, I would suggest to her that it would be wellnigh impossible to have such a scheme in place were there such a provision, because after all, who bears the risk here? This scheme is administered by private insurers. The State is not bearing the risk. How would one calculate the risk for the insurer if, even with the best of intent, the Minister simply said, "Yes, this claim can be allowed and you, the insurer, shall pick up the cost."? It would mean that the whole basis of the scheme would fall apart.

The issue of commissions was raised. It was said that maybe everyone will go for broke to try to maximise their commissions. The pricing mechanism—the floor and the ceiling—prevents us having a totally unregulated compulsory third-party insurance scheme in Queensland. We have a managed scheme. Obviously, the cost of any commissions will impact on the cost of premiums. So competitive tension is being provided in the scheme in relation to commission because that commission is obviously part of the premium. If there is competition on premium, there is effectively competition on its component parts.

We did not wish to go down the road that had been trod in New South Wales when the scheme was deregulated. In New South Wales we saw quite dramatic movements in premiums and destructive activity in the market for compulsory third-party insurance.

We see this as a measured reform. As the Leader of the Liberal Party said, I, too, will be watching it very closely. Our motor accident insurance legislation regularly troops along to the Parliament. Since the legislation was first introduced in 1936 the Parliament has from time to time amended the legislation. I have no doubt that there will be further amendments in the future to refine the provisions with which we are dealing today. After all, that is the task of the Parliament.

We should continue to strive to improve what we have in terms of our legislation. We should continue to strive to improve the efficacy of our motor accident insurance legislation. With those words, I thank members for their support of the legislation. I trust that we will see the same degree of support as we work through the clauses.
