



Speech by

Mr M. HORAN

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PUBLIC LIABILITY INSURANCE PREMIUMS

Mr HORAN (Toowoomba South—NPA) (Leader of the Opposition) (11.30 a.m.): Today, I want to speak once again about the very important matter of insurance and the serious problems that are besetting so many of our community festivals, our community organisations, and so many of our sports clubs in Queensland. If we do not address the issue of the cost of insurance, particularly public liability insurance, we will end up with sterile communities that are not able to do anything. Instead, people in those communities will stand still like stone statues because they are not in a financial position to do anything for the members of their community—to allow them to enjoy their sport, to enjoy their fun, to enjoy the activities of the local festivals.

If we are to solve this problem of litigation and the cost of insurance, this parliament and this government must address three principles: the cost of public liability insurance; the problem of trawling by some major legal firms, which has created increased levels of litigation; and the amount of compensation being awarded by the court system. The cost of public liability insurance for our constituents and for our organisations—our volunteers and community organisations—is reaching the point at which they will no longer be able to provide their services. In this the Year of the Volunteer, as well as recognising volunteers and handing out certificates and all the other things that we have done, we should put in place a system that financially protects our volunteers who work for clubs and organisations and associations so that they can continue their work with confidence.

The government, through the Queensland Events Corporation, has undertaken a review and we have been told that there has been a huge response from the public to it. I think that recently the Premier also announced that he was extending the time in which submissions would be received. We support that, but we also say that once all the submissions are received, we should have some action. Local councils, sporting associations, festivals, event organisations, hall associations—so many of these non-profit organisations that are the backbone of our community—are all affected by this problem. They are working to make our community a better, brighter and happier place. So many of the things they do create opportunities for young people to be active in the community, to take part in many events, and for elderly people to be part of associations or organisations without the fear of litigation. As I said, I have spoken about this issue before and, in doing so, have pointed out that these organisations are the backbone of our community. We need to stay focused on supporting those organisations.

The opposition has also spoken in this parliament before about the need to create a community insurance fund that could be underwritten by the state government to safeguard some of the community events and festivals from a blow-out in insurance costs, which is causing many of them to consider closing down. In fact, some have closed down. That fund could be based on the principles of the compulsory third-party insurance scheme that is operated by the Motor Accident Insurance Commission. This scheme could be a financially sound, sensible and practical scheme that allowed organisations that need public liability insurance to pool their resources so that their premiums could be capped at a reasonable level. But I also make the point that that is only one part of the jigsaw. There has to be some form of capping system to litigation. Otherwise, this community pooling system would eventually be drained in a year or two by these ever-increasing compensation payments that are being awarded.

We also have to recognise that insurance companies have to be able to make a profit. Otherwise, they collapse. That is another reason why there needs to be a cap on the amount of compensation. We have to investigate how, through both the state and federal governments, we can

impose a cap on the amount of compensation that is being awarded. We want to see people properly and fairly protected in those circumstances where, through no fault of their own, or because of incorrect preparation of an event, or incorrect staging of a event, people are seriously injured. It is important that those people who are injured, through no fault of their own, receive fair and adequate compensation. But I think that everyone in the community realises that if compensation levels are not controlled, we will not have any organisations, we will not have any events, we will not have any clubs, we will not have anyone playing sport, we will not have anyone putting on concerts; we will have absolutely nothing in our communities.

I have spoken previously in this parliament about the support that the opposition has received from the Queensland Council of Social Services. The council wrote to the opposition and enclosed a report titled *The cost of community service*, produced by QCOSS in July this year. That report details the findings of a survey of the broad non-profit sector spanning community services, social clubs and other non-profit associations. It was conducted after the HIH collapse in response to concerns of members that their insurance costs, particularly public liability insurance, were increasing. The survey found that 47 per cent of the respondents reported that their insurance premiums had increased. However, many organisations had not yet received their insurance renewal and only eight per cent of all of those who were contacted or responded could say that their premiums were unaffected.

The insurance premium increases that some organisations are facing are alarming. Some organisations reported increases in premiums of well over 100 per cent. Small organisations and child-care organisations seemed to be worst affected by this trend. Some organisations reported that it was almost impossible to find insurers willing to cover their risk.

In its letter, QCOSS stated that it continues to receive calls on a weekly basis from organisations that are either unable to find an insurer or are experiencing massive increases of up to 600 per cent in their public liability policies. That is another endorsement of what we have been saying in this parliament. This very important issue needs to be addressed and needs to be addressed smartly.

Recently, one sporting club in Kalbar in the Ipswich area was hit with a 5,000 per cent premium hike to cover its sporting carnival for this year. The club's insurance cost for a three-day event blew out from \$490 last year to \$24,000. The organiser said that blow-out meant that if the increases were not controlled the event was in danger of folding. It is just impossible for organisations, particularly those that are run by volunteers, to deal with such increases. Sadly, that club has already been warned that the premium could increase to as much as \$50,000 next year. So that is an increase of something like 10,000 per cent.

As I said earlier, the sad thing is that people are getting too frightened to be members of committees and organisations. They are not only frightened that they will not be covered by insurance but also they are frightened that they will not be able to raise the money through their voluntary activities for the insurance premiums. The organisations that are being hit the hardest are sporting clubs. Many members of this parliament have been, or still are, involved with sporting clubs. The cost of litigation for these clubs is becoming tremendous. I know what the club that I am associated with has had to do to try to raise the money for its public liability insurance premium. For those volunteers who man pie stalls, sell raffle tickets and so on, it is becoming a problem that is out of control.

It is time that this parliament and the government—and the opposition will support the government on this—put in place a practical plan. This needs to go to COAG. We need federal government support. It needs to be effective across the state and across the nation. We need to address the three principles involved in actual capping the litigation while still providing fair and reasonable compensation for those in need; ensuring that the massive trawling by the big capital city firms is controlled and managed; and ensuring that the government can underwrite or help bring together, into an organised system, those kindred organisations that can have a reasonable level of payment for their public liability insurance.

We will support that. The National Party wants to see this happen. Resolutions to this effect were passed at our last state conference because our members, who are involved in the community, recognise the problems that exist. We give our practical support to such a proposal.

Time expired.
