



Speech by

Mr JIM PEARCE

MEMBER FOR FITZROY

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PUBLIC LIABILITY INSURANCE

Mr PEARCE (Fitzroy—ALP) (6.33 p.m.): In supporting the amendment moved by the minister I make it clear: the issue of rising insurance premiums has been of concern to community groups for a number of years, but no-one has been really listening. People would say that this situation, which has been steadily worsening over time, is the result of the events of 11 September and the HIH collapse. That is not the real cause of this situation. Those events have merely exacerbated the problem and, if anything, assisted in finally bringing the issue to national prominence. It is therefore completely misleading and deceptive for the insurance industry to claim that rising premium costs are a direct result of these events.

I have made several speeches in this place about the greed and bad faith behaviour of the insurance industry. In recent years the insurance industry has continued to enjoy incredible profits at the expense of small policyholders who, while meeting rising premium costs, face long struggles to win payouts from insurance companies when the need arises.

I am aware of many community groups that are being forced to pay thousands of dollars for public liability insurance, a cost that is well beyond their means. And that is only in those cases where they can actually obtain insurance coverage. Many groups I know have simply been refused coverage outright. Without public liability insurance these groups will have no choice but to close their doors, and they are doing so. Without the millions of dollars raised by community groups for hospitals, schools, ambulances and charities, state and federal governments will be called on to fill the gap, at great expense to the taxpayer.

It is outrageous that insurance companies are attempting to lay the blame for this problem at the feet of world events, thereby freeing themselves of guilt when they refuse to provide coverage for local hall committees and other organisations. Yet at the same time there are companies out there at this time taking money from hardworking Australians for terrorism insurance.

In this place yesterday, and again tonight, the Leader of the Opposition claimed credit for being the first to bring to the attention of the House the looming crisis in public liability insurance. That claim is of course false, as are most of the claims made by a desperate, out-of-touch National Party. If National Party members had been out there talking to their constituents, like I do, they would have heard the alarm bells ringing on this issue years ago.

As I have said, this issue has been around for some time. In fact, it goes back to 1997, at which time I surveyed local community hall committees and other groups in my electorate in an effort to ascertain the extent of the problem—the big problem that it was, affecting thousands of clubs. I raised the issue in this place in a two-minute speech last year. I mentioned the cost of public liability coverage and building and contents insurance. I mentioned that sporting groups and community groups were saying, 'Why put in the effort to raise money that is going straight into the pockets of insurance companies?' I suggested that the insurance industry should take into account the economies of scale which could be created by a wide network of community groups currently paying insurance premiums. I also said at the time—

There must be a potential for the insurance industry to establish a pooled insurance fund to benefit clubs and community groups across the state.

I acknowledge recommendation No. 2 of the liability task force report, which is an endorsement of my thoughts at that time. On 1 June I issued a press release under the heading 'Insurance Scheme Mooted for Rural Community Halls'. In that press release I said—

... the rising cost of insuring local halls and community-run building assets was causing financial problems for committees and threatening the viability of many voluntary-run organisations.

'I have been looking for an insurance broker interested in taking on a large number of these insurance needs in the hope that it would reduce premiums for those struggling organisations.'

'A potential broker has been identified but it now depends on just how many groups we can get interested in a new insurance arrangement.'

I also said—

... the importance of the proposal was that it would only cover rural shires. Isolation and population would be factors for consideration.

During last year's state election campaign I raised the issue again under the heading 'Calls to Reduce High Insurance Costs for Community Organisations'. In that press release I said—

... small rural communities were struggling because of the high cost of insuring their assets and protecting their members against liability arising from an accident.

I also said—

The insurance industry needs to recognise the unique place that these community-based organisations have in this state.

The press release also stated—

... the Insurance Council of Australia (ICA) should play a leadership role in encouraging individual insurance companies to be more innovative in their approach to community organisations.

I supported the Premier's decision in September last year to direct the Queensland Events Corporation to undertake a state wide survey on the issue and I urged community groups in my electorate to respond to the survey. This is a big issue in rural Queensland. It is a big issue right across Australia. I am just thankful that action is finally being taken and that it is a Beattie Labor government taking that action.
