



Speech by

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FINANCIAL ADMINISTRATION AND OTHER LEGISLATION AMENDMENT BILL

Mr MICKEL (Logan—ALP) (11.47 a.m.): In rising to speak to this bill, I want to address particularly the amendments that the bill makes to the Motor Accident Insurance Act 1994 and particularly the \$5 levy. The levy was introduced in October 2001 to help meet the cost of claims arising from the collapse of the HIH insurance group. I have said in this House before that the full financial cost to the community of HIH is still being felt by families and businesses throughout this state and throughout this nation. Previously I have said that the federal government bailed out the doctors, but it was not so generous with other members of the medical profession or, indeed, people who had been receiving a disability payment through HIH. I have instanced before the case of a physiotherapist. This young lady had worked very hard over a period of 10 years to build up a practice. She worked six days a week, believing that she was insured. When a lawsuit hit her—as invariably they will in these sorts of practices—she discovered to her horror that the ultimate insurer was HIH. The financial outlook for that woman and for many small-business people such as her is very grim indeed. The federal government had the regulatory role of the oversight for HIH. It was an oversight that was lacking. The federal government was simply asleep at the wheel and small business and ordinary Australians, I might say, with poor health outlooks are going to be the losers.

Today, this is another instance of everybody in the community having to pay for the federal government's lack of corporate oversight. I might say that this lack of corporate oversight, or lack of oversight by the federal government, is becoming a regular theme. In the previous fortnight we learned of the devastation that has been caused in the pharmaceutical industry by lack of regulatory oversight. It is time the federal government started accepting its responsibilities so that people do not have to keep bailing out themselves and the federal government for what should be its appropriate regulatory oversight.

Another issue I have spoken about before causes great angst in the work force and small business directly resulting from HIH and some other big companies—that is, the whole issue of corporate behaviour. Recently the lowest paid workers in this nation were given a pay rise, and predictably there were bleatings from the big business lobby groups about how dreadful this was—how it would ruin business and how it would wreck the economy. I did not hear the same bleatings from these business lobbies when chief executives in major companies received an average pay rise of 1.8 per cent, bringing their salaries to \$1.68 million in 2002 compared with an increase of 13.4 per cent in 2001 and 22 per cent the previous year. When retirement benefits to departing chief executives are included, the CEOs collected an average pay rise of 7.1 per cent to \$1.79 million, regardless of the financial health of the company.

One of those receiving a generous payout was on the board of HIH. I refer to Rodney Adler, who departed HIH in 1998, just before the whole corporate mess collapsed around him, with a payout of \$4.3 million. But he stayed on the board as a non-executive director and for his efforts received a consultancy of \$480,000 a year. Those who have read in the papers in recent times about the share collapse in AMP will probably shake their heads in disbelief that one of the CEOs of AMP, Mr George Trumble, received a payout figure of \$12.12 million. I mention this in the same week that creditors of Bond Corporation will receive a payout of \$100 million after the sale of paintings and other luxury items. If members think that is a lot of money, they should think again. It represents only 8c in the dollar for the outrageous way that Bond behaved all through the eighties.

I can only guess at the heartache and the stress that occasions small businesses and employees who are victims of corporate collapses like Bond, HIH and now AMP. Certainly in this bill today we are seeing the financial penalty accruing to Queensland motorists directly as a result of the reckless behaviour of HIH. It is time the federal government started to exercise its responsibility and developed satisfactory regulatory oversight of this sort of behaviour.