




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 26 May 2016

NATIONAL INJURY INSURANCE SCHEME (QUEENSLAND) BILL

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (5.00 pm), in reply: I firstly want to thank all members for their contributions to the debate on this bill. We have had a great debate but, regardless of different opinions and different models, we would all agree that this is a very important social reform. In relation to the amendments that I will move to the National Injury Insurance Scheme (Queensland) Bill 2016, the government has listened to the concerns raised by stakeholders directly and during the inquiry into the bill by the Education, Tourism, Innovation and Small Business Committee, particularly about the operation of clause 42 and the need for the bill to be clear about the responsibilities of the agency, the insurers and the outcomes for participants.

The amendments proposed respond to those concerns. An amendment is proposed to clause 42 to insert a note directing the reader to provisions inserted in the Civil Liability Act 2003 by the bill. The provisions in the Civil Liability Act are relevant to the court's ability to award treatment, care and support damages. Amendments are also proposed to be made to a number of clauses in the bill which currently make reference to payments for or liabilities related to serious personal injuries. The government's intention is for the NIISQ to be responsible for medical expenses, rehabilitation payments and payments for future treatment, care and support damages for all personal injuries resulting from a qualifying motor vehicle accident where a person is a participant in the NIISQ because of serious personal injuries resulting from that accident. The amendments remove uncertainty for insurers and participants and make clear the NIISQ's and an insurer's liability.

Concerns were also raised regarding the level of contributory negligence in clause 42 of the bill and the unfair restriction to a participant's common law rights to seek a lump sum for future treatment, care and support damages. Clause 42 has been amended with contributory negligence to now be set at 50 per cent or more. This amendment will allow participants to retain their common law rights to access a lump sum for treatment, care and support where another party was at fault at 50 per cent or more. It is expected that this amendment will only impact a small number of participants, but importantly it will retain their right to choose to seek a common law lump sum for treatment, care and support. I also table an erratum to the explanatory notes to correct a typographical error identified by the member for Indooroopilly.

Tabled paper: National Injury Insurance Scheme (Queensland) Bill 2016, erratum to explanatory notes [\[799\]](#).

I want to take some time to respond to several matters raised by the member for Indooroopilly. Why did the government choose a hybrid scheme over a no-fault scheme? The first thing I want to make clear is that the model put forward in this bill is underpinned by a no-fault scheme, and I think that might have been lost on a few members. All persons injured in a motor vehicle accident from 1 July 2016 who qualify for acceptance into the NIISQ will receive no-fault benefits from the NIIA. What sets this model apart from the models adopted in a number of other states and territories is that it preserves the common law rights of the injured party to claim a lump sum to compensate them for future costs of care, treatment and support. This model provides greater freedom of choice and self-determination for

participants. It preserves the common law rights of participants who are not at fault for a motor vehicle accident or where their contributory negligence is less than 50 per cent. It enables these participants the freedom to choose whether to receive a lump sum or to remain in the NIISQ. Common law rights allow a person who has suffered an injury through the negligence of another to get the compensation that they deserve. Preserving these rights comes at a cost of just 15 cents per week for an average vehicle. Why did the government go against the preference of most stakeholders? In relation to the preference of most stakeholders, it should be noted that while some stakeholders supported or preferred the no-fault model they did not necessarily oppose the hybrid, and I think that is another important point to be made. Aspects or concerns regarding exhaustion of lump sums raised at the committee which caused some people concern about the hybrid are in many respects addressed by the provision to seek re-entry into the scheme after five years.

I now turn to the alleged contradiction between the savings figures referred to in the introductory speech and those mentioned by Treasury officials in committee testimony. There is no confusion and there is no conflict in the statements I made in the introductory speech and those made by Treasury officials to the committee. The initial cost of the hybrid model was clearly stated at \$76. The ultimate net cost to motorists for the proposed model in this bill will be \$32 per vehicle per year. The saving I referred to in the introductory speech of \$44 reflects the difference between the original estimated cost of the hybrid scheme and the ultimate net cost to motorists proposed in this bill. What the member for Indooroopilly has overlooked is the fact that, following the committee process, an alteration to the hybrid model was proposed at an estimated cost that was \$8 lower than the original estimate of \$76. When providing testimony before the committee, the Treasury officials indicated that savings applied from this new estimate to the net cost to motorists—\$36. Both figures are correct and the member for Indooroopilly should be aware as he quoted me directly in his speech that my reference to the \$44 was prefaced by a clear statement that this was a saving from the original estimated cost.

I now turn to concerns about the certainty of costings under the scheme. The scheme is based on actuarial advice which was tabled in the committee. It is important to acknowledge that the NIISQ will be a very long-tail scheme. While the average length of a claim under the existing CTP scheme is four years, it is expected that an average claim under the NIISQ may exceed 40 years. While the government has commissioned the best actuarial advice available, it is not possible for any person to accurately state that the levy imposed from day one of the scheme will be appropriate for time immemorial. This is true for the model adopted under this bill as it would be for a no-fault scheme proposed by the opposition. The fact is that this scheme will provide care, support and treatment for injured persons and for their families for their lifetime.

This scheme must be flexible. It must be able to accommodate future developments in medical treatment and prosthetics. It must accommodate fluctuations in the number of persons injured and the types of those injuries. For this reason, the bill before the House includes provisions to adjust the levy from time to time as is necessary to accommodate changes in experience. The levy proposed to commence from 1 October of this year is the best estimate at this time but, as with premiums for all other forms of insurance, it may need to be adjusted upwards or downwards over time. In fact, as members would be aware, a scheme review will be undertaken this year to focus on savings that may be achieved in 2017. While I would not want to commit to reductions in the levy or CTP premiums at this stage, I can confirm that the government is focused on providing the best possible scheme at the lowest possible cost to motorists.

With regard to the shadow Treasurer's comments about haste and timing, I think this is the height of hypocrisy. What did the LNP government do when it was in government? It signed the intergovernmental agreement in May 2013—over three years ago—and did nothing whatsoever to bring the scheme to life. In just over 12 months we have consulted fully about a range of models for the NIS and we have launched a public awareness campaign, and I thank the member for Mundingburra, the disability services minister, Coralee O'Rourke, for joining us at that launch. It is a very important public awareness campaign and I think it has brought home to people just what was not available to them under the existing scheme. We have done that and we have held forums for disability stakeholders and introduced legislation so it would be active by 1 July 2016—a time frame that is consistent with the intergovernmental agreement that the Queensland government signed back in 2013.

In relation to the member for Indooroopilly's claims about costs of the scheme, I am reminded that when equivalent schemes were introduced under LNP administrations in other states they were done at considerably greater expense. In Western Australia's case it was a \$99 increase on every vehicle registration. Queensland, at a net cost of \$32 per vehicle, will be the most affordable state or territory in the country, nudging out the ACT where the equivalent scheme cost \$34 per vehicle. We are confident that there is not a person in this state who would think that around 60 cents a week is not a fair price to pay for coverage for the most seriously injured motorists in this state.

With regard to the member for Indooroopilly's apparent concerns about the process used to derive costs and deliver a hybrid model, I am advised that all actuarial reports were provided to the committee and have been tabled on the parliamentary website.

Insurers have been consulted by MAIC in relation to the costings and made aware of the process to determine their premium settings for October. I want to thank all honourable members for their participation in this debate. I thank the Education, Tourism, Innovation and Small Business Committee for its consideration of the bill, which included a number of public hearings. The committee heard from a large number of stakeholders, all of whom supported the introduction of a National Injury Insurance Scheme in Queensland.

I also place on the record my thanks to Treasury officials for their contribution to this bill, including Queensland's Insurance Commissioner, Neil Singleton, and members of his team, including Carmel Harkin, as well as representatives from Queensland Treasury, Geoff Waite, Wayne Cannon, John Scott and Jasmin Kennedy. I commend the bill to the House.