




Speech By
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MEMBER FOR MUDGEERABA

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NATIONAL INJURY INSURANCE SCHEME (QUEENSLAND) BILL

 **Ms BATES** (Mudgeeraba—LNP) (3.35 pm): I rise to make a contribution to the debate on the National Injury Insurance Scheme (Queensland) Bill 2016. As shadow minister for communities and disability services, I am proud to see a commitment made by the former LNP government to establish a National Injury Insurance Scheme in Queensland come to fruition through this piece of legislation. The introduction of an NIIS is an important step forward in ensuring that no matter who is at fault in motor vehicle accidents in Queensland we will have a scheme that provides ongoing support to those who suffer catastrophic injuries in these tragic events. The National Injury Insurance Scheme forms part of a move towards the implementation of the National Disability Insurance Scheme as recommended by the Productivity Commission in its 2011 report. Whilst in this initial phase it will be most important to those who sustain terrible injuries in traffic accidents, in the future there will be a move towards the inclusion of work injuries and medical accidents. This will create a fairer system for Queenslanders whose lives are irreversibly changed by unforeseen and tragic injuries and who may otherwise not be able to claim any compensation or access any support for their injuries.

As members know after the contribution by my colleague the shadow Treasurer, Queensland currently operates a common law fault based system for motor vehicle crashes which means essentially we are only covered if fault can be determined. This is not good enough in modern Queensland as all too often there are those who, where fault cannot be established, miss out on any coverage. An NIIS will meet the lifetime care and support needs of people who sustain serious personal injury in Queensland in a motor vehicle accident regardless of fault.

This scheme will be paid for by motorists throughout our state who will collectively contribute to ensure that they and their fellow Queenslanders are covered in case the worst should occur on our roads. In the Productivity Commission's final report into disability care and support, the commission identified that an NIIS would cover injuries from accidents such as quadriplegia, acquired brain injuries, severe burns and multiple amputations. It envisaged that the scheme would comprise a coherent set of state based no-fault arrangements for providing lifetime care and support building on existing schemes.

The report identified that in most instances people need lifelong support and, particularly in the initial post injury phase, have intensive clinical needs and require post treatment supports, early interventions and rehabilitation services. It is stated that a key focus of the NIIS would be coordinating these services and supports on a state level. The report also noted that, even when an at-fault party can be identified, the processes for securing compensation for support through litigation are drawn out and costly in fault based regimes. Further, it said that there is no evidence that the common law rights to sue for compensation for care costs increases incentives for prudent behaviour by drivers, doctors and other parties.

From a legal standpoint the Productivity Commission said that the creation of an NIIS would: one, avoid many of the deficiencies of common law compensation systems and improve outcomes for people with catastrophic injuries; two, comprise a system of premium funded, nationally consistent minimum care and support arrangements for people suffering catastrophic injuries; and, three, reduce the legal and frictional costs associated with the current fault based adversarial arrangements.

The report envisaged an NIIS would promote rehabilitation and adjustment and, where possible, employment. In 2013 the then LNP government signed the heads of agreement and agreed to fund the cost of the NDIS participants who are in the NDIS because they are not covered by an appropriate injury insurance scheme from 1 July 2016. We recognised that as the government we had a responsibility to provide adequate care and coverage for those who are subjected to life-changing, catastrophic injuries in vehicle accidents but who until now have not been able to secure assistance and support.

The bill we are debating today follows a committee inquiry into the most appropriate model for a national injury insurance scheme and will set up a body paid for by Queensland motorists that provides ongoing care and support packages. Unfortunately, it appears that this government has been unable to deliver a cost-effective model for the delivery of those support packages, meaning that, whilst this scheme has bipartisan support, we are now left to debate the best way to deliver the scheme.

At present, the model being proposed by the government for the delivery of an NIIS is a hybrid common law and no-fault care and support arrangement. That means that, where the fault of a person other than the injured person can be established, certain participants are able to elect to opt out of the NIIS. Conversely, those who are unable to prove fault have their ongoing care provided through the NIIS. The government's scheme produces a cost to Queensland motorists of \$68 per vehicle, which frankly is too high. Alternatively, the cost from the identified Lifetime Care and Support Scheme was \$60 per vehicle. The government has also identified further savings of \$36, which it claims would be achieved by working with CTP insurers to improve CTP premium affordability. However, this would have been available under both models. Therefore, Treasury has identified the cost per vehicle at \$32 for the government's option and \$24 per vehicle under the lifetime care option. However, as the shadow Treasurer has identified, through the committee process there was some confusion around the numbers and the savings, with the Treasurer indicating the savings per vehicle was \$44 from working with insurance companies to drive down premiums. No further information was provided to the committee to determine how the \$36 saving was arrived at and whether it holds up to scrutiny.

Throughout the committee process, stakeholders within the communities sector raised a number of legitimate concerns about the government's preferred model for the delivery of an NIIS. In their statement of reservation, non-government committee members identified a range of issues with the government's bill and the model they propose for the NIIS, some of which I have mentioned. The statement of reservation noted—

One of the primary concerns the non-government members of the committee has is with respect to inconsistencies between statements made by the Treasurer in introducing the Bill and advice, written and oral, provided to the committee by representatives of Treasury. In his First Reading contribution, the Treasurer indicated that the government had been able to achieve savings through CTP efficiencies; however, there is quite a significant inconsistency between the Treasurer and his Department as to what the savings actually are. This discrepancy is not a minor one and is not one which engenders confidence in the scheme nor its solvency.

The statement of reservation went on to note—

The non-government members of the committee are particularly cognisant that the introduction of an NIIS will result in an impost for all Queenslanders who own a registerable vehicle. To that end, we believe it critical we understand the assumptions upon which Treasury rely and that we have confidence in how those assumptions have been borne out; however, as earlier noted, any attempt to secure the requisite detail was ruled out of order.

With the government's model now confirmed to cost \$8 more per motorist than the Lifetime Care and Support Scheme, the statement of reservation went on to note—

According to the Motor Vehicle Census, conducted by the Australian Bureau of Statistics, as at 31 January 2015 there were 3,771,321 vehicles registered in Queensland; therefore, the cost of the government's preferred hybrid model is in excess of \$30,000,000 each year, assuming the differential is \$8. The non-government members of the committee believe this is a significant additional impost in the cost of living being imposed by this government on Queensland families.

The non-government members also noted the low level of support for the government's model amongst stakeholders, with their statement of reservation stating—

In addition to their concerns about the cost of living impacts for Queensland the non-government members of the committee are concerned about the model the government have chosen to implement. There was clear evidence, to both the original inquiry and this inquiry, that frontline service providers, insurers and academics believe the life-time care model, as adopted by all other Australian jurisdictions except Western Australia, is the most appropriate model ... It would appear the only submitters who support the government's hybrid model are the Queensland Law Society and the Australian Lawyers' Alliance.

Finally, the non-government members described the explanatory notes for this bill as 'woefully inaccurate', stating—

... in concert with the inconsistency between Treasury's evidence and the Treasurer's statements, meant the non-government members of the committee did not feel sufficient evidence and information had been provided to ameliorate their significant concerns and therefore didn't feel a recommendation could be made on whether or not the Bill should pass.

In turn, whilst an NIIS is an important step forward in providing a new layer of protection for those involved in catastrophic accidents on our roads, this asleep-at-the-wheel government just cannot get a delivery model right for an NIIS. There are a range of unanswered issues, particularly with the hybrid model proposed by the government, including the confusion over cost savings, as well as the fact that people who exhaust lump sum payments after going through the courts can potentially re-enter the NDIS or the NIIS due to the heads of agreement Queensland signed with the Commonwealth government. The community sector does not believe the hybrid scheme achieves the best recovery outcomes for injured persons, and as shadow minister I hope that this government will take on board those concerns.