



**Ben Blackburn Racing submission
on the Motor Accident Insurance
Commission's 2023 Review of
Queensland's Compulsory Third
Party Insurance Scheme Discussion
Paper**



Wednesday, 5th April 2023

Discussion paper on 2023 Review of Queensland's CTP insurance scheme

Motor Accident Insurance Commission
GPO Box 2203
Brisbane QLD 4001

Emailed to: consultation@maic.qld.gov.au

To whom it may concern,

PUBLIC SUBMISSION

I am extremely pleased to provide this public submission in response to the Motor Accident Insurance Commission (MAIC) *2023 Review of Queensland's Compulsory Third Party (CTP) Insurance Scheme Discussion Paper* for public consultation. Feedback on this paper is sought by 5pm on Friday 21st April 2023.

I acknowledge that this discussion paper and process is to facilitate consultation with key stakeholders and the wider community on whether Queensland's CTP scheme is meeting its objectives or whether reforms to the scheme are required.

The Motor Accident Insurance Commission (MAIC) has regulatory oversight of the scheme. One of MAIC's many functions is to keep the statutory insurance scheme generally under review and to make recommendations for its amendment and improvement. This scheme was last reviewed in 2016 and actions taken as a result of the 2016 scheme review have helped keep the cost of CTP insurance affordable for the average motorist. However, a lack of competition between insurers in the setting of premiums remains a challenge.

As is the case in every jurisdiction in Australia, Motor Accident Injury Insurance (MAII), or Compulsory Third Party (CTP) insurance as it is more commonly known, is mandatory and paid at the time of vehicle registration or renewal. Since Queensland's CTP Scheme (the Scheme) was first introduced in 1936, it has been privately underwritten by licensed insurers who accept applications for insurance and manage claims on behalf of motor vehicle owners.

The CTP scheme in Queensland currently provides compensation benefits for 4.68 million registered vehicle owners within the state.

According to the Motor Accident Insurance Commission, RACQ had 23.66 per cent of overall insurer market share during 2020-21.

Suncorp had a larger 43.27 per cent share, followed by Allianz with 25.67 per cent. QBE was the smallest player with 7.40 per cent.

Ben Blackburn Racing notes that the Scheme design changes floated by this MAIC discussion paper include randomly allocating customers to insurers instead of allowing them to choose, allowing multiple licensing for insurers to increase competition, promoting customer choice and equalising premiums.

The Royal Automobile Club of Queensland (RACQ)

It should be noted that the Royal Automobile Club of Queensland (RACQ) welcomes this review of Queensland CTP. RACQ has welcomed the State Government's review into the Compulsory Third Party (CTP) insurance scheme, with the Club calling for a level playing field. CEO David Carter said as one of four providers of CTP insurance in Queensland, RACQ had a strong reputation for looking after those injured in road collisions and supporting their recovery.

"The role of CTP in Queensland is essential – it protects motorists and importantly helps those injured on our roads. For the most part the scheme works well, paying for claims, funding rehabilitation, and supporting lifetime care," Mr Carter said.

"However, as a result of how CTP premiums are collected and distributed across the four insurers in the scheme, an unlevel playing field has been created where some insurers are receiving greater profits despite carrying less risk.

"RACQ has been in discussions with the State Government, calling for a level playing field in the scheme, and we welcome the consultation paper's inclusion of an option for premium equalisation."

Mr Carter said RACQ had recommended premium equalisation to the State Government.

"All we are asking is for every dollar of CTP risk we hold in the scheme, we receive the same level of premium, and if an insurer holds less risk, they receive less premium. That's fair," he said.

"A change like this would not impact motorists or how much you pay for CTP, nor would it impact any other professionals, including legal and health practitioners, who work in the scheme."

RACQ said that it would continue to work with the Queensland Government on this important issue and will put forward its submission as part of this review process.

RACQ's priorities for Queensland include:

- \$10.3 billion for road, motorway and inland highway upgrades.
- \$900 million to expand the national EV fast-charging network.
- \$810 million for rail infrastructure and railway level crossing upgrades.
- \$400 million for cycling and active transport including Brisbane 'green' bridges.

RACQ is also calling for:

- A commitment to deliver on the Productivity Commission's landmark Natural Disaster Funding Arrangements inquiry of 2015 which called for a five-fold increase in disaster mitigation funding.
- Immediate funding for risk-reducing projects that are 'shovel ready', for instance the Bundaberg flood levy.
- Development of a national building register to capture and codify standards for resilience and mitigation measures built into new and retrofitted properties.
- Creation of a nation-wide land use planning standard for flood-affected land and properties.

Ben Blackburn Racing would also like to highlight as part of the review and this MAIC discussion paper consultation process that:

- **Information gaps in important road trauma statistics still often impede analysis and slow down the vital decision-making and reform processes.**
- **Greater collaboration, partnerships, moving away from silos and engendering greater information sharing across government agencies and departments, medical research institutions, insurers, hospitals, and key researchers from academia is required in order to gain a better understanding of the trends and impacts to then inform a better policy development and decision-making process by governments, Ministers, policy decision-makers and legislators.**

Ben Blackburn Racing also believes that the Queensland Government should:

- **enhance the design and development of and increase its offering of specialist and well-designed road safety measures and road safety awareness campaigns and public information initiatives to promote and embed an improved 'culture of road safety' in Queensland as a key policy priority.**
- **improve the current level of access to CTP insurance across Queensland communities.**
- **increase its overall investment into vital research and improved data analytics and improve its cross jurisdictional collaboration that ultimately leads to a reduction in the overall incidence and effects of road trauma across Queensland.**

The Australian Government on electric vehicles and batteries

Ben Blackburn Racing notes that the Australian Government has made a commitment to supporting electric vehicles (EVs) with developing its *National Electric Vehicle Strategy* and supporting a local electric transport manufacturing industry, including vehicle development and manufacturing. This commitment is essential to the development of a robust and sustainable battery manufacturing industry.

The current development and design of the Australian Government's *National Battery Strategy* aims to leverage Australia's strengths and stay committed to supporting battery industries within Australia. It also aims to implement other initiatives including:

- Australia's first *National Battery Strategy*.
- An Australian-made battery precinct located in Queensland.
- A Powering Australia industry growth centre.

The National Transport Commission

Ben Blackburn Racing also notes that the National Transport Commission (NTC) has issued numerous discussion papers over the past five or so years on the regulatory framework for automated vehicles in Australia. This has included a discussion paper specifically examining whether there is a need to change existing compulsory motor accident injury insurance schemes to cover automated vehicles.

Efficient legal pathways that provide certainty and consistency in resolving liability for personal injury that results from crashes is an important part of Australia's goal to support the safe commercial deployment of automated vehicles.

In November 2016, the Transport and Infrastructure Council directed the National Transport Commission (NTC) to develop a regulatory framework to support the safe commercial deployment and operation of automated vehicles, which included:

- State and Territory Governments undertaking a review of compulsory third-party (CTP) and national injury insurance schemes (NIIS) to identify any eligibility barriers to accessing these schemes by occupants of an automated vehicle or those involved in a crash with an automated vehicle.
- Subject to the review of insurance schemes, each State and Territory Government would amend their compulsory third-party insurance schemes in close consultation with each other and industry, ensuring that resulting reforms are nationally consistent wherever possible.

The laws and policies that underpin Motor Accident Injury Insurance (MAII) are the responsibility of State and Territory Governments, and the Australian Government is responsible for the prudential regulation of commercial insurers.

There is no central or regulatory body which is currently responsible for progressing nationally coordinated personal injury insurance reform.

Thank you very much for the opportunity to make a contribution through this public submission on the Motor Accident Insurance Commission (MAIC) *2023 Review of Queensland's Compulsory Third Party (CTP) Insurance Scheme Discussion Paper*.

Mr Ben Blackburn
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Ben Blackburn Racing