



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Motor Accidents Insurance Board

Wednesday 26 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Prof George Razay
Mr Roger Jaensch
Mr Dean Winter

WITNESSES IN ATTENDANCE

Hon. Kerry Vincent MP, Minister for Infrastructure and Transport

MAIB

Paul Kingston
CEO

Lance Balcombe
Chair

(In support)

Derek Thurm
Chief Financial Officer

Courtney Hayles
Executive Manager

Chris Swenson
Chief Operating Officer

PUBLIC

Motor Accident Insurance Board

CHAIR - The time being 2.00 p.m., scrutiny of the Motor Accidents Insurance Board will now begin. We have one hour for this scrutiny. Members will be familiar with the practice of seeking additional information which must be agreed to be taken by the minister or the chair of the board and the questions handed in writing to the secretary, in this instance Michael.

Minister Vincent, would you like to introduce the people at the table, their names and positions and to make a brief statement to the committee.

Mr VINCENT - Thank you, Chair. On my right-hand side, I have my chief of staff, Tim Lovibond; left-hand side, Lance Balcombe, chair of the MAIB Board, and his CEO, Paul Kingston next to him.

It's been a pleasure to get a deeper understanding of the business and the vital service it provides to Tasmanians. MAIB provides insurance cover for those who are injured in a motor accident. Funding for this compensation is provided by Tasmanian motorists through the payment of registration premiums. The organisation pays for a range of treatment and support services for people who have been injured, regardless of fault.

MAIB has a strong long-term financial position, which means that on top of providing its vital service to the Tasmanian community, it has also been able to consistently provide strong dividends back to government. The consistent high performance of MAIB has resulted in direct benefits to Tasmanian motorists, with the premium for a motor car reducing in real terms by more than 40 per cent over the past 15 years for a standard car. This means the annual MAIB premium is less now than it was in 2002 when accounting for inflation. With this in mind, it's no surprise Tasmanian premiums are the lowest in Australia, and this is despite MAIB providing generous no-fault benefits to those injured in accidents.

In addition to its core business, MAIB also works with the Road Safety Advisory Council and the Tasmanian Police to implement advertising and public education messages, road infrastructure improvements and enforcement activities. Last year, the MAIB provided funding of \$4.8 million to the Road Safety Advisory Council. These ongoing road safety improvements mean the number of claims per Tasmanian vehicle have consistently decreased in recent years. The MAIB continues to provide significant contributions to a wide range of community organisations across the state, with \$5.6 million provided to improve road safety, injury management and contribute to broader community support.

A major component of MAIB's funding goes towards the Injury Prevention and Management Foundation. The foundation funds research, education and service programs aimed at preventing and reducing the severity of motor accidents, as well as improving the management of injuries from motor accidents. In 2024-25 \$780,000 in funding was provided through the foundation.

MAIB ends 2024-25 with an excellent financial outcome of before-tax profit of \$115.9 million and high client satisfaction results. With a dedicated and capable workforce and a high performing management team, MAIB is well positioned to continue to deliver for both the Tasmanian government and the community into the future.

PUBLIC

Mr WINTER - Do you want to start with a question around the performance of the business? This is to you, Mr Balcombe, your underwriting results, premiums less claims, significantly deteriorated in the 2024 financial year and then got worse in the 2025 financial year, recording a loss of almost \$41 million. Your forecast is this will get worse, out to \$49 million by financial year 2029, according to the Auditor-General's report. What's the board position on the sustainability of continuing to operate losses in terms of your underwriting result?

Mr BALCOMBE - I can make a couple of questions. There's a number of drivers that sit behind the underwriting result. At face value, we collect \$160 million in premiums and our claims paid out last year \$121 million, so in cash terms we're \$40 million ahead and that \$40 million goes into the operating cost to manage the rest of the business. The second element is that what falls into that claims expense is a lot of the actuarial calculations that go into calculating the long-term liabilities that we have on the books. Paul will probably give you a bit more detail on the stratification of our claims, but we have short-term claims, common law claims, and we have our whole-of-life claims for people who have permanent injury disability as a result of a motor vehicle accident. There's been a number of things that have impacted that over the last few years in particular.

We've seen higher inflation rates because some of these injuries have 20 or 30 or 40 years attached to them. So, with the course of inflation, you will see the cost of those claims rise over time. We have seen higher attendant care rates, that's risen about 18 per cent over the last couple of years and that's been driven principally by NDIS providers. We've had to compete against NDIS providers to make sure that we can get service providers of our own.

I suppose the other point is that, yes, we are making underwriting losses, but we look at the business as a whole. The business as a whole also includes the investment portfolio and we look at it as a sustainable package. Certainly, our balance sheet is much stronger than it was 10 years ago. We are now at \$717 million in net assets. In 2010, we were at \$271 million, so we've seen a \$500 million increase in the financial strength of the business. Our funding ratio, which is effectively our assets compared to our liabilities, has increased to \$134.6 million as at 30 June.

So, the business is in a sound position, certainly the underwriting loss is apparent, it's been driven by other circumstances. There's volatility in that number too because it's also driven by economic assumptions. The bond rate affects the discount rate, so as interest rates fluctuate that will come in or out. Lowering of interest rates will actually make that liability number higher as will inflation, but we are pretty comfortable with it.

Now also, to flag, for the last five years of our corporate plan, we have forecast underwriting losses. We are inherently conservative with our forecasts, and alongside that, we have only forecast a 4.5 per cent performance on our investment portfolio. Last year, we achieved about 8.5 per cent, but we also note that, as a business, the business is exposed to that inherent volatility in investment portfolio.

We target a long-term return of the AWOTE, which is the Tasmanian average wage index plus 2.5 per cent and in general, over 15 years, we've been performing in line with that, but there will be perturbations around that. We have certainly outlined that potential for volatility in our corporate plan and with the shareholder, so we are quite content with the financial performance of the business.

PUBLIC

Perhaps pardon me, one final comment, we have just been through a four-year reset with our with the regulator. One of the things that the regulator determines is our profit margin. In the previous determination, he said that - pardon me, I was thinking I was in the wrong organisation there for a minute - he said that the MAIB should operate within a target range of 7.5 per cent to 12.5 per cent profit margin. In our most recent application, we requested a 10.5 per cent profit margin. The regulator chose to award - make his decision based on a 7.5 per cent profit margin, so -

Mr WINTER - Does that include the investment returns as well though?

Mr BALCOMBE - No, but it's taken into account in the overall assessment of it. So, he looks at the business as a package, and he looks at our underlying assumptions about the investment returns. He's looked at the entire package and he said, based on what's in front of him, with the investment portfolio and what you're getting in premiums, the appropriate profit margin on premiums is 7.5 per cent.

Mr WINTER - The Auditor-General's report says

The Motor Accident Insurance Board (MAIB) has experienced a deterioration of its underwriting over the past 5 years. Based on the current forecast of MAIB, the deterioration in underwriting result will not improve in the foreseeable future. Throughout the forecast period (the next 4 years) MAIB will continue to incur losses from its underwriting business and will be reliant on positive investment returns to generate profitable operations. The increased reliance on investment returns and the volatility within those markets increases the overall risk of operations for MAIB.

Do you agree with that assessment from the Auditor-General - that by operating with losses through the underwriting result and relying on investment returns, that increases the overall risk of operations to MAIB?

Mr BALCOMBE - I will make two statements: the Auditor-General is entitled to his views from that perspective -

Mr WINTER - Not the first person to say that in the past in the last few weeks.

Mr BALCOMBE - Yes, but he is - that's his job. What I would say is those projections are based at a point in time. I will give you an example. We've seen interest rates coming down and, all of a sudden, we've seen inflation kick up or flatten out, or the reduction inflation kicking up and the forward interest rates look to be going up. That will make that liability number lower, and it may reduce those underwriting results.

We have to take these projections as a grain of salt, because they are a forecast and they are based on a whole set of assumptions. What I'm saying is, that those numbers could change - the underwriting result could change based on what happens with a lot of those assumptions and frankly, with the costs of providers and things like that.

Mr WINTER - Of course forecasts can change. It's just that the level of underwriting result losses is pretty substantial over the next few years under the forecast listed in the Auditor-General's report - \$41 million this year, \$35 million, \$38 million, 43 up to nearly 49

PUBLIC

by the financial year 2029. So, you're saying that the board is comfortable with those forecasts and comfortable that MAIB should continue to operate with a loss in the underwriting results?

Mr BALCOMBE - They're a forecast. Would it be great if they were profitable? Yes, it would be a better outcome. The fact is they're not. We've just been through revenue determination with the regulator and, as I say, there's a whole set of other assumptions that can change that. If you look in the annual report, there's some factors that will stress test those assumptions either way, which would have a direct detriment or improvement on that underwriting result.

Mr WINTER - You're talking about -

Mr BALCOMBE - I will also say - sorry, Mr Winter - from a cash perspective, we are cash positive. The biggest issue about the solvency of the business is making sure you have cash available to do that. So we're quite content with the overall financial position of the business.

CHAIR - We will move on to my questions. During the election, the Liberal government announced their suggestion of TasInsure as a state-owned insurance company, and key economists, including Saul Eslake and other stakeholders such as RACT, raised concerns about TasInsure and its impacts on the Tasmanian economy, as well as the TasInsure's ability to deliver what is intended. Can you explain what the role of MAIB would be in that scenario, should we have TasInsure, and whether you see that as a good thing for Tasmanians?

Mr BALCOMBE - We don't have an opinion, because we don't know if at all, or what role MAIB will have. We've seen the Premier's announcement a couple of weeks ago about a process, and our assumption is that we will be engaging that process. Until we have an understanding of our role, MAIB is the compulsory third party insurer, and our terms of reference are determined by an act of parliament. Should the government choose to change the role of MAIB through some other arrangement, we will work with the government to understand what that might mean for the MAIB.

CHAIR - Does it raise any sort of concerns for you with that possibility?

Mr BALCOMBE - It's too hard to opine on - we are sort of talking hypotheticals.

CHAIR - We have a lot of hypotheticals and balls up in the air presently.

Mr BALCOMBE - The government's undertaking a review and we are going to be engaged in that review. Until we get some clarity about whether or not MAIB is going to have a role at all, we're not in a position to make a comment on it. It's a government policy position; it's not the role of myself or management to comment on a government policy position.

CHAIR - I understand that, so I will refer it to you, minister. Given the importance of MAIB as a third-party insurance protection, who are very a buoyant organisation which does well - what's your feeling, and how are you going to protect it from any strange ideas, such as TasInsure?

PUBLIC

Mr VINCENT - Chair, we've only had brief conversations - nothing substantial, because there's nothing before us at this stage. As the shareholder minister of MAIB, we haven't had any proper discussions on them.

Prof RAZAY - Thank you, honourable minister, to the chairman. I'm trying to get more of a feeling of your clients - like how many you have on your books, especially those who are on long-term care. I gather they are there for life. Previously, you said 70 per cent to 80 per cent and they usually resolve within one to two years, at the cost of less than \$20,000. Is it still the same figures?

Mr KINGSTON - We receive just under 2000 new claims every year - the last four years has been just under 2000. It was up over 3500 probably 10 years ago, so we've had a big drop off in the new claims coming in. We have at any one time about 2400 claims open, so some claims may take two to five years to close, some close quickly, but we have about 2400 open at anyone time. Around 70 per cent to 80 per cent of those do resolve for \$20,000 or less; and it can be a matter of months or within a year or two that they're back to their pre-injury state and hopefully don't have to deal with us again, and if not as well as they were before, hopefully better. That's the vast majority of our numbers.

But we do have our lifetime care scheme that came into the legislation in 1991. We have 106 people in that scheme now, after 30 odd years. The tests to go into there is if somebody needs at least two hours of daily care for an indefinite period, i.e., for the rest of their life. If they do, they then enter the scheme and they stay with us for the rest of the time that they're there. We pay all reasonable, necessary medical costs and support that they need for the rest of their lives. They are the claims that, as the chairman said earlier, can run for 30, 40, 50 years and some of them can cost up to \$1.5 million a year. That's why the liabilities are so big - at about \$1.3 billion - and why we have just under \$2.3 billion to \$2.4 billion in savings, to make sure the funding is there not just now, but into the future.

Mr WINTER - I wanted to go to TasInsure as well, to you, Mr Balcombe. You said you don't have an opinion on the policy, and you don't know what role MAIB will have. The government has issued a consultation piece which actually mentions MAIB within it, as being a part of and using the MAIB balance sheet to assist in the establishment of TasInsure. Has the board or MAIB been engaged in any way by the government as part of this process, to come up with this document or the bill?

Mr BALCOMBE - No, to both.

Mr WINTER - The establishment of the TasInsure policy is that it will leverage the balance sheet of MAIB, and there's a bill which is being drafted and released for public consultation. No one at MAIB, to your knowledge, has seen or was consulted about that bill before it was released?

Mr BALCOMBE - No, we were not.

Mr WINTER - In terms of the consultation paper, was anyone at MAIB provided with a copy of that consultation draft before it was released publicly?

Mr BALCOMBE - The CEO was provided with a copy on the day it was released.

PUBLIC

Mr WINTER - Okay. Has the CEO, or yourself through the board provided any feedback to government around the soundness of the policy intent and, if not, does the board plan to provide some feedback?

Mr BALCOMBE - We haven't been asked to provide any advice. When the government asks us to provide for participating in that process - and we don't know what that means yet, whether we're going to be talking to the government or some consultant about it - we will engage in the process.

Mr WINTER - In your view, how much flexibility is there in MAIB's balance sheet to support the establishment of a new state-owned insurer?

Mr BALCOMBE - I'm not in a position to comment on that, because I don't know what 'support a new insurer' means. Until that's outlined, I'm not going to hypothesise, if that's the right word.

Mr WINTER - I will find the words within the piece. According to the document the government has released, the product scope is targeted to include home and contents insurance; small business insurance; community groups and event insurance; regional insurance; even workers compensation insurance. Presumably requiring a pretty substantial amount of capital to back a project like that, what level of support do you think MAIB's balance sheet is able to sustain and support through that establishment?

Mr BALCOMBE - We don't know what our role is. Until we know what our role might be, we're not in a position to comment on it.

Mr WINTER - You've not been asked to provide that?

Mr BALCOMBE - I will point out though, doesn't it say 'may' 'could', 'may not', so -

Mr WINTER - 'The expected scope of TasInsure includes ...' -

Mr BALCOMBE - No, but you said about MAIB's role. That's uncertain in that document. That's uncertain. Until we have some clear guidelines about what we are going to comment on, we're not in a position to comment on it.

Mr WINTER - The financial management of risk list says:

TasInsure will require sufficient capital support, with the MAIB model intended to be leveraged for this purpose.

The government is intending to 'leverage' your balance sheet.

Mr BALCOMBE - It also goes on and says it may not be involved further in.

Mr WINTER - The policy intent that was announced seems pretty -

Mr BALCOMBE - I don't know what 'leverage' means. Until we know what the model is, we're talking in hypotheticals.

PUBLIC

Mr WINTER - You're aware the government plans to establish and start TasInsure next year, so it's 2026? How much time do you think MAIB would require to support the establishment of a new state-owned insurer by this time next year?

Mr BALCOMBE - I don't know if we will be supporting the establishment of a new state-owned insurer, so I don't know what times are involved. We have very tight guardrails about what we do; we're focused on that. If the government asks us to come and do some work with them on TasInsure, we will do it at the time, but we're not in a position to hypothesise about what something might be, because we don't know what it is.

CHAIR - Minister, this is something that I've asked you in other scrutiny sessions, but in relation to governance changes, could you describe how that might have affected your interactions with MAIB and the Board?

Mr VINCENT - Yes, Chair. Certainly at this point, there's nothing that's changed or interfered with my liaison with either the CEO or the Chair. We are working through the business as we normally do. If anything changes, we will assess those things when and if they do.

CHAIR - Really, it's about the governance of the organisations. Perhaps if I put it through to the CEO and Chair: has there been a tightening of governance arrangements with that review?

Mr BALCOMBE - How I'd comment on that is certainly there's been more prescription put into the government governance processes. Probably what I would say is that 99 per cent of it MAIB was already doing: director's terms for three years, conscious that the previous chairman, Don Challen, was on the board for 12. From a point of view of our board-review processes, every three years we go on a cycle, so we do two internal reviews and one external. The framework for those reviews that we've been using is very similar to the framework that's been published under the government's governance guidelines.

Issues such as gender balance: we're a board of five, so we're always going to have two or three, either way. We have a very solid board skills metrics, that we make sure we have a good cross section of skills, which is challenging when you have a small board. I suppose the other element of that is making sure that we have an eye to succession planning, and continue to build depth in the business from a point of view of Paul and his team sitting behind me here.

CHAIR - If you transfer that to the workforce and diversity and all that, how's that represented?

Mr KINGSTON - Like quite a few insurers, we're a female-dominated workforce. We have about a 75 per cent or so female workforce. Our senior leadership team is five females, three males. Our executive team is three and one; it's been two and two in the past. As the chair said, our board is well balanced. I think on a gender perspective, we have quite a good starting base.

We also have a diversity in terms of age and experience across the workforce as well. We have a lot of staff who have been there a long time. We've had one retire this year with 40 years; we have others well into 30 years; and then we have a whole range of new staff

PUBLIC

coming in with different experiences. We look for diversity in terms of life experience and other work experience across a strong cultural knowledge that we hold.

CHAIR - And cultural diversity - looking at broadening that as well?

Mr KINGSTON - We always keep an eye on that. We recruit based on skills and cultural fit - and fit as in team fit first - then male, female, age doesn't matter; we let that take care of itself. We're not targeting anything. We do have reasonable diversity across our workforce. It's only a workforce of 50 actual people, it's not exactly large. A couple of numbers either way can make a bit of difference in terms of our range of different demographic and cultural backgrounds.

Mr VINCENT - I might add to that - the chair and I have had discussions about the makeup of the board in relation to upcoming major redevelopment work, I suppose you'd call it, on their care facilities, and that is an enormous project that we have had brief discussions on whether the skills matrix is right for that or not, and that's just normal part of discussions between us.

Prof RAZAY - Honourable minister, through you to the chairman and CEO: what proportion of the claims are from young ones, especially 18 to 24, because that influences your prevention campaign you are still running, the Real Mates campaign; how successful has it been?

Mr KINGSTON - I will go back to more road crashes in Tasmania through the Road Safety Advisory Council hat that I wear, rather than MAIB necessarily. Young people 18 to 24 are disproportionately represented in crash stats: they always have been and they continue to be so. However, over the last 10 years, or probably last 12 years, we've run Real Mates, and we've funded and set up Real Mates through the RSAC road safety team. We had over a 10-year period, so in the last road safety strategy which ended in 2017, we'd funded Real Mates through most of that. The number of serious crashes and fatalities for 18- to 24-year-olds dropped just shy of 50 per cent. They're still disproportionately represented, because they take more risks; they have less experience on the road; they tend to be higher in under-the-influence driving, whether that be drugs or alcohol - but we still are running Real Mates, and that still has a good resonance.

It's moved now more to social media, than mass TV - it's not targeting people like me. It's targeting much younger people who use different media. We've actually tried to follow where they're at, rather than just trying to make it obvious to everybody.

We do a review of all our road safety education campaigns through RSAC, and MAIB funds that. Each time we check recall but also change of behaviour, which is the thing we're chasing. Getting recall is pretty easy: Real Mates has a really good message and people remember it, but making them change their behaviour on the roads is the harder a bit. It's been okay. It hasn't been increasing, but it's been pretty steady in terms of a change in behaviour.

Prof RAZAY - That group is interesting, because they have the highest rate of mental health problems. That's probably another contributing factor as well, because that's increased compared to 30 years ago.

Mr KINGSTON - Absolutely.

PUBLIC

Mr JAENSCH - Through you, minister, this is one that I'm sure you've heard before, it's a common question amongst our constituents. How does the MAIB premium-setting process work? Why does it result in premiums for motorcycles around double the value of those for motor cars?

Mr BALCOMBE - Predominantly why motorcycles are higher, is they are much more likely to have a serious road accident. I might park it there, because Paul is right across the technical elements of that, so I will ask him to respond.

Mr KINGSTON - Our premium setting is ultimately determined by the economic regulator, who reviews our prices every four years and then allows us an increase based on average weekly earnings in between.

One of the things that a regulator does, other than just setting the general increase, is he looks at the relativity between classes. For standard motor vehicles, mum-and-dad motor vehicles, about 80 per cent of the fee in class 1 and 2, that is set as a premium; then classes that are experiencing higher claims costs basically have a relatively weighting, so they pay more to remove that cross-subsidy they'd be getting because they're actually costing more to the scheme, and those that perform better get a reduction below that normal premium of \$305.

Motorcycles are nearly double that, across most classes. Small motorcycles are exempt to that, they're not quite as high. In the example, motorcycles cost us up to three, to three-and-a-half times what another class or the standard class 1 and 2 would cost. That means for the same number of registered vehicles, it's three-and-a-half times more expensive for motorcyclists. It's because they have more accidents and, of course, when they have accidents, there's less protection, so they tend to have more serious injuries and fatalities.

That relativity is over 3; at the moment they only charge 1.9, it's just changed to 2.3 in the most recent regulator review - so, we're creeping away at that cross-subsidy. Still, right now, normal motorists are cross-subsidising motorcyclists because they just cost more. We would love for motorcycle accidents to be less, which means we pay less cost, which means they pay low premiums, but we only pay what the actual claim costs are.

Mr JAENSCH - Given that this must be a global phenomenon, it would be strange if we were the only ones seeing this signal. Is there any research into whether this is influenced by the demographic - who's riding and what their level of experience, their risk profile; is it young men who may be proportionally more likely to be motorcyclists and to be taking risks, perhaps?

Mr KINGSTON - It's a little bit spread. It's young people again, 18- to 24-year-olds, and particularly males take more risk generally, so they are highly represented, as they are across all classes. The other demographic that is reasonably high is 40 to 50, who tend to have obtained their motorcycle licence when they were young, and it's still on their driver's licence. They come back 20 or 30 years after not riding and they can now purchase a large, powerful motorcycle - when you're younger you can only purchase less powerful motorcycles - and if they haven't ridden for a long time, they can then have more accidents.

We actually fund a training course and cut the cost down to about \$50 for returning riders, so they can get a full training day with a professional instructor to get them back used to how to use a motorcycle again, and particularly a more powerful one, to try to make sure that that demographic doesn't keep pushing up.

PUBLIC

Mr JAENSCH - Can they get a discount on their premium: reduce the risk?

Mr WINTER - My question is to the minister, again around TasInsure: minister, did you see a copy of the draft bill or consultation paper before they were publicly released?

Mr VINCENT - No, I didn't.

Mr WINTER - Do you think it's unusual that you, as the responsible minister, wouldn't be included in the policy discussion about development of a new insurance company which will utilise the balance sheet of the multibillion-dollar company you're overseeing?

Mr VINCENT - No, I didn't. I have more than enough to do with my ministries, and I would much prefer the work to be done a bit more comprehensively before I have to put my head in that space with MAIB.

Mr WINTER - I agree there should be some comprehensive work done on this. Can you tell the committee whether the proposal is still to utilise the existing MAIB balance sheet, to leverage that and deliver TasInsure through the utilisation of its existing commercial and operating infrastructure?

Mr VINCENT - I'm unable to expand on that at all, because I haven't been through it.

Mr WINTER - This is the flagship policy of the government; it's going to use the MAIB balance sheet, we hear and understand from the consultation draft. You're the minister responsible and you're telling the committee that you don't know whether it's planning to use the balance sheet from MAIB, or not?

Mr VINCENT - Only the same words as you've seen and spoken about. My opinion is no different to the chair of MAIB - we're concentrating on what we do to maximise the benefits of MAIB, and should that change, we will deal with it when it comes across our desk.

Mr WINTER - What do you consider to be the major risks for MAIB by utilising its balance sheet to create a new insurance company and provide a range of insurances, for example, workers' compensation?

Mr VINCENT - I think I've already answered that by saying I haven't given it consideration because nothing's before me at this stage.

Mr WINTER - Would you concede that there's some pretty significant risks here for MAIB and for its customer base, in terms of hollowing out its balance sheet, adding increased liabilities and risks to an organisation that's already stretched in terms of its position this financial year?

Mr VINCENT - As I haven't seen any of the numbers or the planning for it, I don't have anything to concede on that.

CHAIR - We will move on, Mr Winter. I also want to talk about road safety and particularly motorcyclists. We know that overall, in the nine months from January to September this year, compared to last year we have fatalities up from 24 to 35, which is up 45.8 per cent,

PUBLIC

which is a shocking situation. In 2025, there have been seven motorcyclists who have lost their lives in that time, compared with two in 2024.

I suppose one of the things that is raised with us is the concern about motorcyclists, and their registration and the registration costs that they have. In 2024, a 750cc motorcycle cost \$653 to register, and a small car costs \$492, so that's a concern. Can you talk around the risks of motorcyclists and what you're seeing as well?

Mr BALCOMBE - Thanks, Ms Burnet. If you ride a motorcycle in Tasmania, you're three times more likely to have an accident on a motorcycle than you are in a passenger vehicle. For 2023-24, there were 13.6 claims from motorcycles per 1000 registered vehicles, compared to 3.2 for other motor vehicles. There are two issues at hand here: the frequency of motorcycle accidents is higher, there's more people per 1000 registered vehicles having accidents; and in general - and I will be careful in the way I say this - the severity of motorcycle accidents is higher. By way of example: 70 per cent of motorcycle accidents are single-vehicle accidents, and a lot of those are in regional areas. You would presume - and Paul probably has further data on this - that either speed, inattention or not being capable of handling the motorcycle on Tasmania's winding roads, so -

CHAIR - Or the road itself, the road surface?

Mr BALCOMBE - Well, it may well be; but you have to adjust to your conditions, haven't you, when you're driving a car and it's raining, or you're riding a motorcycle on a slippery road? You have to adjust the conditions if it's winding or whatever. We're not charging three times the average single-vehicle premium for motorcycles, so there's a degree of cross-subsidisation from all the other vehicles that goes towards keeping the costs of motorcycles down. It could be and arguably should be higher. The regulator is working on those relativities. He adjusted the relativities in his last determination, but the facts are there are more serious accidents at a high frequency on motorcycles than there are in passenger vehicles, so there has to be a relativity adjustment between those.

CHAIR - Are there other jurisdictions where we have fewer road motorbike accidents that we can learn from? Obviously, you don't want to disadvantage people who are struggling - students, younger people - and sometimes it's the best mobility for people to get around. How do we ensure that they're safe riders and accessing that safety information as well? I know full well it's very difficult for people to get motorbike training as well.

Mr KINGSTON - Look, more through the Road Safety Advisory Council - we've worked with the Tasmanian Motorcycle Council and other motorcycling bodies to prepare and distribute educational videos. One is for tourists coming in on the *Spirits*, because we've had a lot of tourists not understanding our road conditions and being involved in accidents. We've put a video on there that hopefully helps them understand what it could be, and the motorcycle groups actually share that around to help incoming drivers.

For younger drivers over the last few years, again, we've worked closely with the Tasmanian Motorcycle Council through RSAC and the MAIB to change and improve the graduated licencing system for motorcyclists. We've actually increased the number of supervised hours, provided different ways that they can get to and from training, as well as working with the training providers to try to make sure that the ability for people to get there

PUBLIC

and get trained increases, because there are people who find it difficult to get the hours and the supervision.

Also, we supported projects like the riding gear project and the riding licencing projects through Bucaan House in Chigwell, which was very successful at getting young people who were disadvantaged into training. Many of them graduated with motorcycle licences and then got jobs. There are quite a few programs being run through RSAC to try to get to groups that could be disadvantaged in terms of training hours.

We've actually improved the training process - it's a lot safer - and that was copied from other states. We went to other states and said, 'What could work better?' I think it was New South Wales. Anyway, the state they took was more aligned to what we do, so we took that. There have been step improvements to improve training and to try to improve access.

CHAIR - I suppose the ongoing concern that we hear of is cuts to those Neighbourhood House programs - from Bucaan House and others. We will keep that in the back of your mind, at least.

Prof RAZAY - MAIB staff work in this difficult environment, and I expect you do surveys of your staff especially about detecting any mental health problems. I think that's so important. At the same time, I wonder whether you could survey your clients on how satisfied they are about your product?

Mr KINGSTON - I will start with our clients. We're all focused very much on getting our clients better. We do an annual survey of all the claims that have closed, and we've been doing that for 20-odd years. The satisfaction result score has been between 80 per cent and 89 per cent in all of those years. We've just finished the 2025 one; it came in the last week or two, and that was 86.2 per cent, which is a very high rating for an insurer of any colour, but particularly for us that was a very good result.

Part of that is comments. We get people to survey them and talk to them, so as much as the score, which we want to see and we want to keep high, we get feedback about different parts of the process they'd like to see more. Some of them have said that for those people who have more complexity in their claims - it's not just a simple ambulance trip, treated at the hospital, bit of physio and back you go to work - for whatever reason, they hit some hurdles in their recovery; it could be secondary mental harm or other things that hurt them being able to get back as quickly as possible.

Part of that is we split our claims team from two - future care and all others - into three different streams. We took a middle stream called 'supported care', where we put extra resources in to do more proactive management, to try to stop those people who get off track in their recovery, continuing to spin and get worse, and to try to get proactive care to them so that they get better quicker. Financially, that's cheaper - that's not our main motivation, but it does get them back to a higher quality of life quicker. We've done things like that, from the feedback from those surveys.

Yes, we survey staff as well. We have an annual process of doing that. That's running at six-and-a-half to seven-and-a-half, which is pretty standard and good. You're right - our claim staff and our administration staff are on the phone with people when they're in the worst place of their lives in some cases, so they have to deal with a lot of secondary trauma and vicarious

PUBLIC

trauma. We've just finished putting all our staff through fairly significant vicarious trauma training so that they can prepare themselves best, so they can look after each other, so we can look after our clients as best as possible.

Prof RAZAY - Honourable minister, do you want to respond?

Mr VINCENT - Yes. I can say that I was made aware of a lot of the training they do, and I've visited staff in the Launceston office. I should add that it is an amazing level of professionalism towards the care factor in the staff job. They're really proud of what they do for people in a very awkward situation and the families at the different stages of that.

It was very apparent to me the pride they take in their jobs, but it was also evident how supportive they are of one another around a very open plan office - in moving around and talking to one another. It was a very high level of interaction in the office, which I thought was really good when they're dealing with such awkward moments.

Prof RAZAY - Exactly. I'm really impressed about the score from the staffing as you say, because it just shows you're actually caring for the most needy - it's actually satisfying.

Mr JAENSCH - Continuing the theme, minister, where we've been talking about injuries and the statistics that you keep around those. We talked about this in the context of motorcycles. In your annual report for 2023-24, which I think is the latest available at this stage -

Mr BALCOMBE - 2024-25.

Mr JAENSCH - 2024-25. That's out now? Thank you. There's a section in there on road safety and community involvement that details a number of different programs through which MAIB invests towards road safety. Is that just as a funder or sponsor of those programs, or is this informed by your statistics, so that its targeted investment intended to address areas where there is a high risk, and therefore also a risk to MAIB?

Mr BALCOMBE - Thanks, Mr Jaensch. There's a couple of facets to that. By and large, the largest slab of our funding is to fund the Road Safety Advisory Council. That goes in two elements, through the Department of State Growth and the police and emergency services - that is police and emergency services there to assist with funding enforcement activities and compliance activities on the roads. The Department of State Growth also looks after administratively the operations of RSAC.

We also have the foundation, which I think is some of the funding you're alluding to. How that foundation runs is it's prescribed within the act. What we do is we seek applications, and we go out to the public about May every year - Paul, is that my recollection?

Mr KINGSTON - May, yes.

Mr BALCOMBE - The target is to spend 1 per cent of our premium revenue on those activities. In order to qualify for funding, they have to contribute to road safety, or the management or prevention of injuries. It's a fairly tight envelope about that. We are targeting issues such as how we provide improved treatment. A lot of the things we are providing are education to schools in rural areas about quad bike training, for instance - there have been a lot

PUBLIC

of quad bike accidents over the years - so getting in early and training some of the younger children. Paul, you might have some other perspectives on that, as opposed to me?

Mr KINGSTON - Through the RSAC funding - so all the education programs and even the targeted police enforcement when we introduce the automated traffic enforcement cameras that can do speed, but also mobile phone use and seat belt use. They were -

Mr JAENSCH - Are these the 'pizza ovens' that they call them?

Mr KINGSTON - Yes, I've heard that on some of the social media forums. They were informed by the areas where we are most seeing increases and crashes and the cause of crashes, so we try to target those. Part of the criteria for placing them where they are on the roads, beyond safety for the people putting them out there, is actually on where there's a road safety reduction - where we can make the roads safer. It does produce a revenue, but it is very much targeted at trying to reduce the level of road trauma by making people regulate themselves on speed and other things. If people think they will get caught, they tend to drive safer, and we get the outcome we want.

Mr JAENSCH - You have some particular access to data because of the way your premiums work and the way you're paying out. Does that put you in a position to evaluate where your investment in a safety measure has made a difference to the incidence of accidents and losses to people?

Mr KINGSTON - It's probably not quite that direct. We definitely see a reduction in claims, and reduction in claims in cohorts or different types of users. We see that through the RSAC. That is where we access the crash data and that's all we try to put in the education enforcement. The two tend to match up more than being a very direct link, but we definitely see the outcomes. We're the beneficiary of a safer road environment. That's why we invest so heavily in it upfront.

Mr WINTER - My question is to Mr Balcombe. Has the board considered TasInsure around the risks that it might present to MAIB, if the government's stated policy is implemented?

Mr BALCOMBE - We haven't.

Mr WINTER - Have you raised any concerns about TasInsure with the minister, minister Abetz or the Premier in relation to this?

Mr BALCOMBE - All we've done is ask the minister if he has any information when we met with him, and he has not had any information. We've been waiting for either contact from government about if MAIB has a role, and the next thing we've seen is the discussion paper from government.

Mr WINTER - The proposal is that the existing MAIB balance sheet will be leveraged to deliver TasInsure, as I've mentioned earlier. Can you tell the committee what the risks would be to MAIB if your balance sheet was -

Mr BALCOMBE - I think it says the initial proposal considered that might be the case.

PUBLIC

Mr WINTER - The initial proposal - I will read it - says:

The initial proposal is that the existing MAIB balance sheet will be leveraged to deliver TasInsure

et cetera. So, that's the proposal as it currently stands.

Mr BALCOMBE - The initial proposal. This is talking about another arrangement, where there's going to be a study undertaken about what TasInsure might look like, and we will participate in that study.

Mr WINTER - The stated policy from government is to utilise -

Mr BALCOMBE - Is it?

Mr WINTER - As far as I can tell.

Mr BALCOMBE - Well, it might be. It might've changed, too.

Mr WINTER - Minister, can you tell us, is that the stated policy intention to use MAIB balance sheet to support a new TasInsure business?

Mr VINCENT - I think I already answered that, but I'm not aware of the details and what they're looking at. I'm not the minister for the proposed TasInsure. I'm the minister for MAIB and I will deal with it when it comes to me.

Mr WINTER - This is incredible. I mean, it's the signature policy from an election held only four months ago. It involves using presumably hundreds of millions of dollars in assets from the balance sheet that you're the portfolio minister for, and you're telling the committee you know nothing about it?

Mr VINCENT - That's correct.

Mr WINTER - Do you think that you should know something about it, minister?

Mr VINCENT - Not until the point it is presented to me, as the minister. It doesn't come under my ministry at the moment. I deal with what's under my ministry.

Mr WINTER - But it does, though - you're the portfolio minister of MAIB, minister.

Mr VINCENT - It is purely a paper that is looking at various options, and when it's time it will come to me.

Mr WINTER - In terms of the policy position from government, I want to try to get to the nub of what the policy actually is. What we've been presented with, and the public's been presented with through this consultation paper, minister, is that the proposal is to utilise MAIB's balance sheet to leverage that and then create this new insurer, TasInsure. It's progressed to such a point now where there's actually a draft bill that establishes TasInsure.

PUBLIC

Are you able to tell us what engagement you've had, if any, with the Premier or the Treasurer about utilising MAIB's balance sheet, in order to support the establishment of this new business?

Mr VINCENT - I think I've answered that four or five times now. I haven't had a discussion about that; they are still working through the understanding of what they've put out and working through it. When it's time for me to be informed and work through it, I'm sure I will be informed.

Mr WINTER - I suspect the time was probably a few months ago, minister.

Mr VINCENT - You're suspecting.

CHAIR - We will try to get around to everybody. I wanted to talk about driver training as well - to continue on that, because we were talking about motorbikes. I wonder what sort of learner driver training is targeted in regional areas?

Mr VINCENT - I will start off on this, to go to something more specific. This was raised in the upper House recently by one of the members raising that concern, especially in regional areas where the death rate, I think, is in the mid 60s of our road accidents, as well as motorbikes - motorbikes and ATV's play a big part of that. It is certainly something on my radar in the new year. I've had discussions with other members of the Road Safety Board, as well as RACT's CEO, regarding dealing with that. It is foremost in all our minds that that is a real area of concentration. With that, I'd like to hand to the CEO, thanks.

Mr KINGSTON - Thanks, minister. Thank you, Chair. We actually have, through our foundation funding that the chair spoke about, that the MAIB board sign off on, we've targeted ATV training particularly for high school students in regional areas for many, many years - Campbelltown, Lilydale, Yolla and I think we've done Scottsdale in the past. We've actually provided them funding to train the children who are no doubt on farms and are no doubt already using their ATVs in a lot of cases, to actually get trained properly. In some cases, they get a TAFE certificate. In others they get the training they need to be able to head on towards their licencing.

We've received very good feedback from the schools that that's helped from not only the students, but they tend to go back to their farms or their regional areas and talk to their parents and other people, to try to talk to them about the safety of using ATVs. That's been one that we've targeted specifically ourselves.

CHAIR - My question wasn't specific to ATVs, but about other regional training - you are targeting that more generally, anyway?

Mr KINGSTON - That training will be distributed by Transport, through the Department of State Growth. I sit on RSAC; we see a lot of policies - we don't get into all the detail of exactly how the training is delivered, so it'd probably be more a question for State Growth in an Estimates committee. While we fund RSAC, we don't control driver training policy.

PUBLIC

CHAIR - Minister, did you want to add anything to that? It's a big concern that these areas that volunteers have helped, and it looks like there's a policy shift away from supporting those organisations. Can you elaborate on that?

Mr VINCENT - In the few months that I've been the minister in this area, it's fairly obvious that there are a lot of people with concerns about the high percentages in this area. This year's funding has already been committed to and programs; but there is an open mindedness at the moment to look at what works elsewhere, what we might need to do differently from present programs, and work into the next financial year of funding with some fresh thinking would be my simplistic way of putting it, towards what else can be done to highlight this in certain areas. The CEO just touched on moving into specialised regional areas to do it, and that's along the lines of what we need to do - certainly a realisation program about how serious this is amongst young people.

CHAIR - Okay, I guess we will have to watch that space.

Prof RAZAY - Honourable minister, to the chairman. One of the hardest things in dealing with severe traffic injuries where they need lifetime care, is when you have a member of the family looking after them as well. You especially think about the young people, that it takes so many years and they need so much care to provide them support - because some of them feel guilty that they have to provide all that care. How do you deal with situations like this?

Mr BALCOMBE - I will make a few comments and then I will probably hand over to Paul, here. These incidents are life-changing obviously; not only for the individual involved in the accident, but it's also all those around them. Those changes can come through changed circumstances and in particular care. A lot of families provide their care gratuitously - they take it on as their duty.

One of the things we have an eye to as part of our funding arrangements, is if external care is required, we will fund that. We don't fund gratuitous care because families generally are volunteering to do that. We also look to issues such as mental health of the families and the carers as part of that, because there's a lot of trauma that comes with injury in particular. It's certainly something that when we look at our high-severity incidents, we look to the care of the family.

We have a very coordinated team of carers - whether it's in our facilities or outside our facilities, we have a panel that looks after that. We have a lot of rehab providers as well that look after the injury management. But the impact on families can be massive and it's certainly something we have a focus on. I might hand over to Paul.

Mr KINGSTON - As the chairman said, we own four facilities around the state, and we actually have respite care there. We have independent living units around our main facilities allowing people who are looking after their loved ones to be able to take them to there, have professional care, look after them and it gives a holiday to the family, potentially. We also fund for a lot of our lifetime care clients' holidays as well, and their carer or direct family member can go with them. We do quite a bit to try to engage the family and the care and make sure they're looked after.

PUBLIC

CHAIR - The time for scrutiny has expired. I hate to cut you off halfway through a sentence.

I thank the witnesses and minister for attending today, and I thank the committee.

We will be resuming very soon with Metro Tasmania.

The witnesses withdrew.

The committee suspended from 3.00 p.m. to 3.04 p.m.