



**PARLIAMENT OF TASMANIA**

**TRANSCRIPT**

**LEGISLATIVE COUNCIL**

**GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B**

**Motor Accidents Insurance Board**

**Wednesday 4 December 2024**

**MEMBERS**

Hon Tania Rattray MLC (Chair);  
Hon Rosemary Armitage MLC;  
Hon Luke Edmunds MLC;  
Hon Mike Gaffney MLC; and  
Hon Meg Webb MLC



**WITNESSES IN ATTENDANCE**

**Hon. Eric Abetz MP**, Minister for Business, Industry and Resources, Minister for Transport

**Lance Balcombe**, Chair

**Mr Paul Kingston**, Chief Executive Officer



# PUBLIC

**The committee resumed at 2.30 p.m.**

**CHAIR** - I'd like to welcome everyone here. This is for the scrutiny of the Motor Accident Insurance Board, best known as MAIB. Thank you very much, minister, and your team. I'll ask you to provide an overview, brief as it can be, and introduce your team. I will introduce those at the table.

We have: Luke Edmunds; Rosemary Armitage; myself, Tania Rattray; Meg Webb, and Mike Gaffney; and we also have our secretariat support Simon Scott; we also have from Hansard, Lesley. That is us and we're over to you now, and then we'll launch into questions when you have finished your overview.

**Mr ABETZ** - Great, thanks a lot, Chair. To my right is Lance Balcombe, the chair of the MAIB board, who is an alumnus of Taroona High School. I just thought I had to mention that. In case you haven't gathered, so am I. We were in the same class together as it happens. Not in the same grade; Lance was a lot higher in the academic stakes than me. And Paul Kingston, the CEO, with me.

As an opening statement, can I make the observation that I think MAIB overall performs exceptionally well. We have the lowest premiums in the country in relation to payments for personal injury. We have, I think, by any objective analysis, the most comprehensive and generous scheme in looking after victims of road trauma and, on top of that, the taxpayer gets a good dividend from its investment portfolio. So, from my perspective, three big ticks. With that said, over to questions and we'll flesh out some of the detail when and as members have questions.

**CHAIR** - Thank you, minister, and can I congratulate you on your brief overview. Best one we've had to date today. I'll invite Ms Armitage to kick off the questions. Thank you

**Ms ARMITAGE** - Thank you, Chair. I have quite a few here. I'll start with a nice easy one to get you in the mood.

**Mr ABETZ** - Answer is, 'I didn't. I deny it.'

**Ms ARMITAGE** - I notice on page 5 of the annual report it indicates there was an 84.4 per cent client satisfaction score for the reporting year which is very good. Can you, or through you minister, elaborate what goes into the score? How is client satisfaction determined? How is the data gathered, as well?

**Mr ABETZ** - That is a great question because I did ask that question as it differs with insurance companies generally; one would assume that there would be a great degree of dissatisfaction, so such a high score is good, I would have thought.

**Ms ARMITAGE** - Is it unusual?

**Mr ABETZ** - I then asked, are we able to compare how that rates with other insurance companies and I think I was told, I'm trying to compare apples with oranges, but I will allow the chair to explain.

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**Ms ARMITAGE** - Well, this is people, isn't it? So, it's probably a little bit different to property.

**Mr BALCOMBE** - It is.

**Mr ABETZ** - But great minds think alike because I had the same question.

**Mr BALCOMBE** - Thank you. I'll ask Paul to perhaps talk about the mechanics of how we undertake the survey.

**Ms ARMITAGE** - Yes.

**Mr BALCOMBE** - I suppose there are two important things about client surveys. How we're rated, but it's also the individual elements of feedback that we get, and it's very positive. It was 84 last year, it's 85 this year, and that's in the measure that we are reporting. That's not in this annual report.

The other element is some of the data you get with it and, in particular in last year's survey, which is relevant to this annual report, we got a fair level of feedback about the need to build the opportunities for greater access to our rehab services in particular, and Paul can give some details on that. Although it's a very good result and we are proud of that, it's important that we get those other elements of data, so we can actually improve the service delivery we have.

It also gives us some insight into the respective markets that we have, in our provider markets as well. We have people in a lot of regional areas. We have to make sure that they can access that. The flipside of that is that as a business we have to make it easier for those providers to work with. We don't need them to go through very complex tender processes and things like that to get onto our panel. A lot of these are sole providers. We actually have to make it very simple for them to do business with us. Some of the insights that we get out of that client survey are quite important because we can actually understand what we need to be doing as a business to improve that client satisfaction, but also provide a greater service. I'll perhaps hand over to Paul to talk about the mechanics -

**Ms ARMITAGE** - Before Paul answers, if I could elaborate a bit further on it too. You say it's a survey of clients.

**Mr BALCOMBE** - Yes.

**Ms ARMITAGE** - Just wondering how many surveys go out and how many come back. I'm assuming the 84 per cent is of how many have come back as opposed to how many have gone out.

**Mr BALCOMBE** - Paul will have that level of detail, thank you.

**Mr KINGSTON** - We've run the survey on pretty much the same basis since 2001. We've got a long data of comparison. We finetune some questions, but they broadly stay the same. We send out to everybody that's had their claim closed in that year, in that 12-month period.

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**Ms ARMITAGE** - Do you have an idea of a number for the last financial year? Just give me an example.

**Mr KINGSTON** - It's about 1000, would be about the number. We normally get - we used to get around 30 per cent, maybe slightly under. We used to do it every two years, we've moved to every year in the last 10.

**Ms ARMITAGE** - So 30 per cent back?

**Mr KINGSTON** - Yes, 30 per cent back, about 270-300. It depends on the year, it does move a bit around on that. We have EMRS do it for us, and they target a statistical significance in the returns that we send out, and the answers and the broadness of the demographic that reply. They target that and keep going until they get to a number that they're comfortable shows a good broad range of answers.

We have several segments that we measure within that, that make up that satisfaction score. We have claims officers, and we have about eight questions about that, about how they interacted, how easy they were to talk to, whether they were proactive. We have our documentation - was it easy to fill in our forms and respond to us? We have our procedures, which talks a little bit - because we're legislative scheme we don't have a lot of discretion about what we pay. It's legislated in the scheme. We dig a bit into the way we went about trying to help you to claim, did you understand what you could claim? Those sorts of questions come into procedures as well. We have rehabilitation, which as the chair touched on is very important for us, because we need our providers to work closely with our clients to get them better.

Each of those categories is scored each year. The rehab one is targeted only at those people that got rehab services. It's a slightly smaller sample, which makes it a bit more volatile in the scoring. Between 2001 and 2025, we've scored between 80 and 89 per cent every year.

**Ms ARMITAGE** - Is that of the 30 per cent?

**Mr KINGSTON** - Yes. That's of the 270 or 300 that replied, that's what the -

**Ms ARMITAGE** - The problem is we have 70 per cent that haven't responded.

**Mr KINGSTON** - Yeah.

**Ms ARMITAGE** - That might be dissatisfied.

**Mr KINGSTON** - They could be, yeah.

**Mr BALCOMBE** - They would tell us. I suppose the other thing is this is statistically significant. It's significant because we ask 1000 and we get around 300 back. That does make it representative of the greater sample. That's why we rely on EMRS to determine whether the results we get are actually statistically significant. It is representative. We have levels of confidence around that -

**Mr KINGSTON** - Yeah, we do, and look -

**Mr ABETZ** - Without any scientific knowledge in this area -

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**Ms ARMITAGE** - Were you going to say it's a bit like elections, isn't it, how it seems to continue the trend?

**Mr ABETZ** - I was going to say human nature being what it is, it is a lot more likely that somebody that is dissatisfied will respond than somebody who is satisfied. It's like the marketing - a bad experience, you'll tell 10 people, a good experience, you might tell one.

**Ms ARMITAGE** - Do you ever give an incentive to send it back? Sometimes people will put out a survey and they'll say you might receive a \$50 voucher, or someone might receive - do you find something like that -

**Mr BALCOMBE** - No, we haven't.

**Ms ARMITAGE** - You don't give incentives?

**Mr KINGSTON** - No, look, we work with EMRS in my role on their road safety advisory panel, and we do the same thing. We use them for a lot of surveys. We've gone through to them about incentives and they've said overall it doesn't make a great deal of difference. Either people want to give their view or they don't. This is a fairly lengthy survey, so we're talking -

**Ms ARMITAGE** - Fifteen minutes?

**Mr KINGSTON** - More, it could be 15 to 20 minutes depending on how much they want to give. You really want someone to be there to give the feedback rather than just saying, well, tick a box. The minister's right, we do tend to get people who want to say, 'Hey, it might have been overall good, but this would have been better'. We get a lot of comments that help us go, 'Okay, that's how we could make that' -

**Ms ARMITAGE** - I wouldn't do a 20-minute survey.

**Mr KINGSTON** - No, no, it's probably the limit they go to. They do keep us just under it. It could be 10 to 15 if they just answer a lot of quick questions. People tend to want to have their say and give us contextual feedback.

**Mr ABETZ** - If you were really dissatisfied, I reckon you would do 20 minutes.

**Ms ARMITAGE** - I'd write them and I'd - no - I'd send them an email. Thank you.

**CHAIR** - Another question?

**Ms ARMITAGE** - I have.

**CHAIR** - Yes, another question. Thank you.

**Ms ARMITAGE** - Okay. Let's see. Board members, it's always been one of my favourite questions. So, we have a maximum of nine, currently have six. It's really good to see that the board's managing with six - three from the south, one from the north, two interstate and none from the north-west. So, do you consider regional representation important? Are you currently

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seeking someone from the north-west? Is regional representation important to you on the board? I'm not speaking gender, I'm merely talking north, north-west and south because I noticed that there are three members from the south, one from the north, and two from interstate, which is always a little bit of an issue for me that we have - and no disrespect to anyone, because I know everybody's there for merit and the reasons - but I often wonder whether there aren't applicants within the state. So, do you use - I guess two parts to my question - are you looking to recruit someone probably for the north-west and you feel that regional is important? Because I note that you've currently got six, with a temporary increase, and you can have nine. And the other issue, who do you use to recruit? I noticed one of the GBEs this morning, it was pleasing to hear that they actually use a Tasmanian firm for recruitment. I wonder whether you use a mainland or a Tasmanian firm.

**Mr ABETZ** - Just a quick overarching comment from a personal point of view, and I stress this as a personal point of view, noting the government has indicated a GBE reform process. But, ultimately and vitally important, is that we get merit selection for these boards. I use the analogy if I need it, important surgery, my first question would not be where do they live or where do they come from or what gender, what state, whatever else. The fundamental question has to be are they capable of doing the job and provide the best possible result. After that, you can have a look -

**Ms ARMITAGE** - I could make a comment, but I'll let you keep going.

**Mr ABETZ** - You can then have a look at other considerations, but one's address does not necessarily mean that you've got the best suite of expertise to offer, especially in specific roles that the MAIB has, so for example, Mr Hindmarsh, who was residing in New Zealand, unfortunately, he just resigned for health reasons, but if you've got the potential for quality advice, then as far as I'm concerned that is the major factor.

**Ms ARMITAGE** - Just a comment that I would make - and we talk about the doctor, I wouldn't care where he lived, but I want to know that he was actually dealing with the specialty that I was actually going to surgery for -

**Mr ABETZ** - Absolutely. Absolutely.

**Ms ARMITAGE** - as opposed to location. I'm just questioning whether there wouldn't be people within Tasmania with similar qualifications and merit. I'm not expecting that you wouldn't have someone on the board that could do the job or, as I said, merit for the board and that's what I've always said. The same with gender. I'm not interested in female or male. I want the right person for the job, basically.

**Mr ABETZ** - On the rare occasion we find a Tasmanian who went to Taroona High School who is worthy of being chair of the board, so -

**Ms ARMITAGE** - Absolutely, and my point exactly, minister, that sometimes we can look within. I think sometimes it's just expected that if they're from the mainland they must be more suitably qualified and I don't see that as being a point because many GBEs have a lot of interstate members -

**Mr ABETZ** - I fully agree. I fully agree.

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**Ms ARMITAGE** - Do you use a local recruitment?

**Mr BALCOMBE** - Thanks, minister.

**Ms ARMITAGE** - Interstate, who, interstate obviously, you look more to, yeah -

**Mr BALCOMBE** - So, perhaps just to make a comment, we are certainly a skills-based board -

**Ms ARMITAGE** - Yes.

**Mr BALCOMBE** - front and centre. We're a small board of five -

**Ms ARMITAGE** - Which is great.

**Mr BALCOMBE** - Which is good, but it creates some challenges. I've discussed a few of these matters with the minister. From a point of view of the composition of the board, you have to get the right skills base on the board. So, in the case of Mr Hindmarsh, he had deep financial markets experience, and we're not talking generalist financial markets, someone who can buy a few shares, this is product knowledge, what markets are doing, market trend analysis like that, and we have just advertised for that role, where through a process - it's before the minister and Cabinet at the moment, and we could not find anyone in Tasmania with those skills. So, we have a pending appointment from the mainland.

I suppose the other challenge is that, with a board of five, you have less opportunity to recruit less experienced non-executive directors (NED).

**Ms ARMITAGE** - You need to maximise the knowledge.

**Mr BALCOMBE** - Yes. I'm speaking in general terms, perhaps a bit outside of the MAIB specifically, but from a point of view of a small board and Tasmania in general, we need to be nurturing and creating opportunities to recruit new directors, and perhaps ones who have good skills but do not have a background as a NED.

In the case of Kate Gillies, with the previous deputy premier we came to an arrangement where we were able to bring Kate on the board early. Kate is a very well-credentialed executive. She is currently chief operating officer and chief commercial officer at Hobart Airports. She knows the GBE structure, having been at Aurora and Hydro for quite some time, but this is her first NED role.

**Ms ARMITAGE** - They've come on early to get a bit of experience.

**Mr BALCOMBE** - We did that. Now, that was great from a transitioning perspective, but with the retirement of Naomi Walsh, we fall back to five. I suppose a key requirement of coming on to the MAIB board is, do you have other NED experience?

I suppose this is a general thing. It's harder to build that Tasmanian pool - whether it's from the north-west, the north or the south - if we don't come up with innovative ways and means of building up the pool of directors and availability in the state.

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With regard to the recruiting agent we use, we use Alan Wilson Consulting. He's on the list of recommended panel from Treasury. He is based in Melbourne. He has spent a lot of time in Tasmania. He has a deep background with Hydro Tasmania, TasNetworks and the MAIB. One of the key elements about that is, he understands the MAIB very well so he really understands what we need.

Now, I'm not casting aspersions on any of the other Tasmanian recruiters, but Alan has a deep understanding of our business.

**Ms ARMITAGE** - He's been doing it for some time.

**Mr BALCOMBE** - Like most recruiters, he has a very complex network, and perhaps a deeper network on the mainland, where there's other opportunities where we might need some of those deeper base skills. We've used Alan, certainly since I've been on the board, and perhaps prior to that.

**Ms ARMITAGE** - Let's do one last board question. It might be something you don't want to answer, but I'll ask it anyway.

Does the board have an opinion on whether or not the MAIB should be privatised?

**Mr ABETZ** - That would be a policy question, which I daresay the MAIB -

**Ms ARMITAGE** - Is it generally considered that it's within the domain of the GBE to be providing this sort of insurance service to Tasmania, or do you think it would be more in a privatised field?

**Mr BALCOMBE** - It's a question for government. We actually think it does very well as a state-owned enterprise.

There's some history of some of these businesses being privatised in mainland states, where the offering, if you like, the insurance benefit, has fallen away and perhaps driven on a more corporate basis. As the minister said, we're a no-fault scheme, we're the most generous and we're the cheapest. We provide a sustainable commercial rate of return to the government, and we think it resides well as a state-owned enterprise.

**Ms ARMITAGE** - Well, I'm very pleased to hear your response. Thank you.

**Mr GAFFNEY** - I'm going to page 18 of the report, and it talks about employee wellbeing and employee development. Just very quickly for those listening:

The MAIB has a health and safety committee to promptly identify risks and address any issues that may affect employee safety. There is also an employee assistance program available, which offers counselling services to all staff (for work and personal issues) in conjunction with training to enhance staff wellbeing.

Then in your Employee Development, you also state that:

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Staff are provided with ongoing training opportunities to assist in their development, including programs like staff health and wellbeing.

When I went back to two years ago, in 2022, it was highlighted that the normal EA, employee assistance program, is to do with mental wellness and resilience. Last year, Dr Broad asked, 'What was the PeopleTalking staff development consultancy for \$177,000?' The answer was, 'The MAIB staff.'

I suppose my question goes to the line of, how much has been spent in this financial year on consultancy to do with employee wellbeing or employee development or staff culture improvement? Could you supply a breakdown for the last four years from 2021 to 2024. I'd be interested to know how much was spent each year, how the consultants were chosen, and how much that was, just about that. Is that an ongoing staff commitment for that? I'd just like to know the relationship in those four years.

**Mr BALCOMBE** - Thanks, Mr Gaffney. We see investment in our people as very, very important, whether it's on the occupational health and safety side, making sure our people work in a safe environment. Albeit it's quite different from a perspective of, our people are generally office-based, probably driving is our biggest risk. The other aspect about that is that a lot of calls from our clients do come in on the phone, and we occasionally do have some, perhaps, disgruntled clients. We've had to provide some training for our staff to deal with those clients and help calm them down and get to the nub of the issue.

We see continued staff development as very, very important. I'll perhaps get Paul to talk about some of that greater detail, but -

**CHAIR** - We need it pretty concise, if you don't mind. Otherwise we're going to run out of time, and there are quite a few questions lined up.

**Mr BALCOMBE** - Okay, sorry.

**CHAIR** - No, don't be sorry. I probably didn't make it clear enough at the start. Thanks, Paul.

**Mr KINGSTON** - Through you, Chair. Yes, so in 2023-24, we spent about \$270,000 on staff development. Outside the EAP, which is a standard sort of program, most of that went to PeopleTalking to continue the program we started the year prior. Also included in that was the refresh of our values. We went through from the ground up with staff to do a full values refresh, so that was another component that we did within that.

Within that, there is team leader and management development, and then each staff member went on courses offsite to develop their own ability to react with people and to communicate better as teams. It was really around team development and personal development. There were three or four, probably four, programs that underlie all of that.

The year prior, as you said, was again with People Talking, and that was \$176,000.

The year prior to that - I don't have four years but I have three - was \$287,000. That was split across several different consultancies. We used a Launceston-based consultant up there who helped us kick off the program. That was really probably the first personal development

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program of the MAIB for decades. A lot of time was spent on teams trying to come together and work together.

The primary reason why we're doing this - and it will continue, to answer another part of your question - is because we went from having individual caseloads, very old insurance approach, where everyone had their 200, 250 claim files and off you went. We moved to Teamspace, which was a big change, particularly for our staff that had been there a long time. We're keen to develop staff to work better as teams, but also, if the teams can talk better, they can deal better with our clients and help them a lot more.

It's very much focused on staff development so they can be the best they can be themselves, but so we can get the best outcome for our clients. Everything comes back to that client focus. Even our values were very much based on how do we then list our behaviours of how we deal with clients. They're the figures over the three years we do have, and we've used different companies over time, and we expect it to be in that order going forward - at least for the foreseeable future.

**Mr GAFFNEY** - I noticed in one year, in 2021, you used Road Trauma Support Tasmania.

**Mr KINGSTON** - Yes, they have provided training to us a couple of times. We fund them. They've only existed because of our funding for the past few decades. They came along to talk to our staff about what they hear from our clients - because a lot of our clients or other people affected by road trauma ring them up - and they actually gave training in sort of semi-counselling. We don't train our staff as counsellors. What happens if you get a phone call and someone says they're going to commit self-harm? What do you do? The people from Road Trauma Support Tasmania know how to deal with that and they were helping our staff deal with it.

**Mr GAFFNEY** - That's great, a good answer. Could you provide me the three-year funding breakdown of which consultancies you've used and how much they've received? Is that possible?

**Mr KINGSTON** - Yes, it is. For the last two years it's been People Talking. About 12,000 of that 270 was with -

**Mr GAFFNEY** - Perhaps, you can take it on notice.

**Mr KINGSTON** - Yes, then we're not holding up the process.

**Mr EDMUNDS** - Thanks for coming along. Good to see you, Lance, in particular. Page 7 of the annual report shows claims payments have increased by nearly 30 per cent or \$25 million over the past five years. At the same time, the number of claims received has fallen by about 15 per cent. Why are those two things happening simultaneously?

**Mr BALCOMBE** - In plain and simple terms it's the severity of the accidents, we're having more serious accidents. The cost of the claims is going up. Some of the years might also been we've had a pretty solid go at clearing out some of our long existing common law claims. That's been a bit of a driver there too. I'll throw to Paul and get some more detail on that.

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**Mr KINGSTON** - There has been a focus over the last few years of making sure some of our older common law claims are cleared, the ones that have hung around for a while. Ultimately, the plaintiff determines if they want to bring a claim, but we can be proactive and go look, it's been sitting around for a while, would you like to progress? We've done that on some old claims. That adds a bit of common law payouts in those years.

The other big factor, particularly in the last three or two and a half years has been attendant care rate. Our biggest cost as a scheme is the attendant care rate for our catastrophically injured people. When the NDIS entered the market several years ago, a lot more money came into the market and they raised their prices. At one stage they were raising them 10 per cent a year. We kept our rates indexed by inflation, which is reasonable, but we got to a point we were so far behind we had to do a step increase in our attendant care rates. It was about 10.5 per cent, which is a big increase for us. Because that's our biggest cost factor, it drives up our cost pretty quickly.

General inflation since COVID across the medical world is not being kind. We have to pay for the services our clients need, regardless of the cost. Because of that, we've increased our rates both to attendant care and our other allied health professionals we use, not only to compete with the NDIS, but to make sure we can get the care that our clients need. That's probably been the biggest driver across that time.

**Mr EDMUNDS** - It's external factors rather than any kind of policy change. You're not looking to pay claims out earlier for more or anything like that.

**Mr KINGSTON** - No, most of those claims costs are scheduled benefits, the money we pay to people who are just getting better. Common law, while it's there, it's a smaller part of our scheme, it doesn't really drive our costs as much. That is just us responding to the market to make sure we can purchase what our clients need.

**CHAIR** - You said earlier about working with your clients and we've had some information that talks particularly about the challenges for those with brain injury and being able to navigate the system. In the claims process do they have a case worker, if you like, at MAIB that walks them through - those with a brain injury.

**Mr KINGSTON** - The answer is yes, but it's a combination of ways we would support people. We have brain injuries that cross a broad spectrum of impacts on clients, therefore what their needs are. For the more catastrophically injured or the ones with the more severe brain injury, they would most likely be in our lifetime care scheme, which means they are looked after for life under our scheme. We have a specialised team that only deals with those people. In some cases, they talk to people and their families daily. We then engage with specialists outside the business. We're not care providers, we don't have qualified care people on staff. We have case managers, in some cases, support needs assessors, occupational therapists and allied health specialists who would help coordinate the team of medical support along with their GP, most likely, to give the care. There are many case conferences held across those clients with claims staff there from MIB, the relevant professionals to try to make sure what that client needs, how they can communicate with us and/or may not be able to, the challenges they might have, so they can get a better outcome for what their need is and their choice. There are a lot of those programs we do for our most catastrophically injured.

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**CHAIR** - What about the support for those people who are just on the case journey? They haven't been fully recognised for whatever services they need.

**Mr KINGSTON** - In most cases they're coming out of hospital. In hospital we have an arrangement in that we pay for all those services until they get out. They're usually not discharged until we've had an opportunity to get at least an occupational therapist or a case manager appointed and they would actually work out what they need in their home. We can provide home modifications and provide temporary accommodation for them to come out of hospital to go to home as they're learning to live with whatever impacts from the road trauma they've got.

If it's a brain injury, they and their family have to find a new way of living. It depends on the person, but they normally would not be discharged if they were seriously injured till we have that in place, we would hope. We work with the hospital to try to get there. That external case manager, or it might be an occupational therapist, becomes key in that transition period. They are identifying what they need, telling us that we can fund it and then try to get them what they need.

It's a bit of a rush service when they discharge from hospital which can happen anytime and sometimes we don't know until the last minute. We just try to find ways of getting what they need. If we can't, we do have that safety net of our three residential facilities across the state where we can transition them, at least place them into there where they can have support provided to them.

**CHAIR** - You're confident that MAIBs communication on claims and appeals process is adequate, particularly for those who have a brain injury?

**Mr KINGSTON** - I'm confident we do everything we can to make sure clients are informed of what choices they have. I can't say for every client with any sort of disability that they could 100 per cent know what's going on. We would hope they would and we would hope we'd be receptive if they said they couldn't. We'd be happy to take input from advocates or whoever might be able to help them. Our staff are very focused on getting people better, so they are trying to do that. If there are any difficulties, there's a low-cost TASCAT process that someone can go to if that they don't like the decision we've made.

**CHAIR** - That's the appeals process.

**Mr KINGSTON** - That's the appeal process and that's in the act. In fact, sometimes we refer stuff if we can't quite get it worked out to make sure we get a decision and they can move on. There is a low-cost appeals process and people are informed of that when they get their claim. Communication with people with the brain injuries is an ongoing thing you try to refine every time you find something that doesn't work or isn't as clear. I'm confident we do well the majority of the time. We want every client to be able to think they could approach us to find out more.

**CHAIR** - You also mentioned that some of the claims are more expensive because the nature of the injuries. That to me doesn't marry up with the safety aspects of vehicles these days. Is it speed or is there any assessment done about why with the significant safety features on most vehicles - not everyone's got an up-to-date vehicle - but can you give me some indication of what's going on there, minister?

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**Mr ABETZ** - I'll let Mr Kingston answer that, but I would hazard a guess the medical prowess has improved considerably, is that part of the factor?

**Mr KINGSTON** - People are surviving accidents in the past from some of those safety features they may not have, which is great, but it then creates a different life for them moving forward. The other thing is we have the oldest vehicle fleet in Australia by quite some margin, partly to do with our low premiums and low registration costs. People keep their old second car when they buy a new one because they can afford it.

**CHAIR** - They're usually given to the young person in the family.

**Mr KINGSTON** - Correct. Which is probably the least experienced to drive. We still have a lot of old vehicles and the margins between fatality, catastrophic injury and minor injury are very small, so it can change very quickly. I would say talking from again, the Road Safety Advisory Council perspective that we fund and I sit on, that the key factors, the fatal five, haven't changed. They still cause the same accidents and it is a combination of having an old vehicle fleet. We have a lot of high-speed rural roads in Tasmania, proportionally more than the rest of the country. Those high-speed rural roads when you have accidents and you're doing 100 rather than maybe 60 or 80 create more damage. The human body wasn't built to withstand that, but I wouldn't say we're out of kilter with any trends I see nationally. We still get severe injuries. We're getting fewer injuries overall and less severe injuries. The mix is changing a little bit with the severity, as the chair said. But, unfortunately, we still have road trauma and it just depends on the specifics of the accident.

**CHAIR** - Thank you for that. What concerns, or have you addressed your mind, minister, to the fact that, apparently, we're going to have autonomous cars in the future? We won't be driving, they'll be driving. Has the organisation and you yourself as the minister responsible addressed your mind to what that might look like for MAIB in the future?

**Mr ABETZ** - Simple answer. Have I considered it? Yes. What might it look like? I have no idea. I have to confess, Chair, that is the brave new world. It is something that I'm sure will come our way and we will need a good MAIB board, CEO, and staff that adapt to all those -

**CHAIR** - So the liability will come back to the manufacturer?

**Mr BALCOMBE** - I suppose there's a couple of aspects to this. Arguably, autonomous vehicles should be safer because they are built to be safe. They won't be allowed on the roads unless they're proven to be safe. So, there won't be an inattentive driver or someone on the phone or someone who's hopefully driving within the speed limit and things like that. Now, the other aspect about autonomous vehicles, they are still, we think, somewhere at least 10 years away.

**Mr KINGSTON** -Decades away.

**Mr BALCOMBE** - If not decades.

**CHAIR** - Decades?

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**Mr BALCOMBE** - Yes, there's a lot that needs to happen. Our focus is really, as Paul said, we fund RSAC, Road Safety Advisory Council, very much focused on road safety, the last thing that we want is a Tasmanian to be a client of ours and that's really our focus while we invest so much money into road safety.

I suppose if there are incentives - this is probably a government policy issue about how we make the overall vehicle fleet younger, that's a challenge because of the cost of living and all the other things that go with that. We really have to focus on all those matters around road safety that RSAC is dealing with.

**Mr KINGSTON** - I might just quickly add, if it's okay through you, minister, I chair the national body of CTP schemes. I have for the last eight years. As part of that we're engaging with the National Transport Commission, which is doing the regulatory framework for the introduction of autonomous vehicles into Australia. As a part of that, we're putting in that the insurance schemes as they stand now across each scope; we have 11 schemes across Australia that deal with CTP, that the principles will stay the same. The liability will still come for us. What we're trying to put into those regulations is a recovery right for us against the manufacturers, if it's the autonomous vehicle control that causes the problem.

Those discussions are ongoing. They've been going for about five years and I think they'll probably be going for about the same time again. It is likely decades away until they're predominant on the road. We will then get a great safety benefit, but when we do have to recover - trying to recover from those big manufacturers, we'll need that right of recovery built into the regulation, which is Commonwealth regulations, to be able to trigger that recovery for the schemes. We're working on it, but I think it's years away.

**Ms ARMITAGE** - Just clarifying. I guess it's not a lot different really to now, because at the moment if you have a drink driver or someone, so you're still going to have a no-fault scheme, you're still going to have passengers, and you're still going to have a lot of people actually that are driving vehicles crashing into them. At the end of the day, we just say that nothing really is going to change that much apart from who you might claim against, as opposed to having passengers and other people crashing into them.

**Mr ABETZ** - Other than the hope it will be safer.

**Ms WEBB** - When you are providing funding for physical rehabilitation, it's probably fairly straightforward to determine, identify, and quantify. Then there is psychological rehabilitation that comes into play for people who've been involved in accidents, especially if they have a brain injury as a result because there's a lot of psychological matters related to that. What's the balance of those, and how well do you think you're doing in correctly identifying, quantifying, and supporting the psychological side of things?

**Mr BALCOMBE** - I think there's a couple of aspects. I suppose one of the issues about when someone's injured in an accident, it's not only the person who's injured in that accident, it's the family and everyone who surrounds them. Certainly, from a point of view of - we see quite a lot of cases where people as a result of their injuries might have PTSD or some form of mental-health issues, most likely, and probably most commonly some form of depression. That is all taken into account in their care plan. I suppose, from the point of view of the common law claims, in particular, that's also taken into account in any settlement, but there's always ongoing funding for that. I will let Paul speak to some of that detail.

**Mr KINGSTON** - That's right, and we have in the last 12 to 18 months, done a specific program, not only around secondary mental harm or reactions to their recovery as much as the accident, split our - we used to have two claims teams, one looking after our lifetime care, the catastrophically injured, and one looking after everyone else. We have split those into three and the middle team is looking after what we've called 'supporter claims,' who are people who, for whatever reason, aren't recovering as quickly as we would like or they would like. A fair bit of that has to do with their mental response to the trauma and then their recovery from that trauma. That team is being mirrored a bit more in our lifetime care scheme, where they do more proactive engagement earlier on in those claims so they don't spin-off, become more costly, but also take longer to recover back to pre-injury state.

One of those triggers we pulled out of our data to identify those claims early was, is there a mental harm or a mental condition developing from the accident directly or in terms of their recovery process. We are putting counselling into place quicker, probably, for those claims than we did in the past. Not that we - we didn't do it slowly, but we waited for the client to say, 'I've got an issue,' rather than us going, 'there seems to be a problem here,' either through the GP or one of the allied health, and can we get something to them proactively, so that they get addressed earlier? We know the more support they get medically early on, the better they recover, and the quicker they recover. So, that team is focusing on that group of clients, and to give you an idea, out of our clients about 80 per cent of what we call 'general claims', usually within a year or two they're back to their pre-injury state and, hopefully, no long-lasting impacts. Less than 1 per cent are lifetime care, much less than 1 per cent. That 19 per cent or so that's in between, is that group that is developing those sorts of issues and we're trying to be much more proactive in getting them their care earlier.

**Ms WEBB** - To follow up on that, you talk about a change of practice and going from the two groups to the three groups and now you're doing things more quickly. When did that change happen and what prompted it?

**Mr KINGSTON** - We did a review of our profile of clients probably about three years ago we started it, and out of that we benchmarked ourselves against the Transport Accident Commission (TAC) in Victoria, which is the only other scheme that's like us; and the ACC (Accident Compensation Corporation) in New Zealand, which does the same thing, but for all injuries. And, we found that each of those had those specialised claims groups where they thought they needed more intensive proactive care - a small number, but more work needed to be done on it. They all had triggers in their data when the claims come in to say, 'we think this is one that might go that way, so let's get in earlier.' So, we used that research to go, 'perhaps we should do that,' and then we implemented it fully during 2023-24. I think it was 2022-23, we started to pilot it. We did it over a transition period, but it's been fully in place now for at least a year. We probably won't - we probably won't see the full benefits of it for two, three, or four years because those claims tend to last for longer than our fewer complex claims.

**Ms WEBB** - We'll keep asking about it.

**Mr KINGSTON** - Yes.

**Ms WEBB** - Can I also just check in on - it's becoming more understood that in all sorts of ways when we're dealing with vulnerable people, we need to take a trauma-informed

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response and approach to them. Is that something you have explicitly adopted then within MAIB and how have you gone about equipping the organisation to do that?

**Mr KINGSTON** - We have an injury management adviser on board who comes from the sector and has provided care and her role is to work with the claims team to try to provide that perspective from the point of view of their client or the provider on the ground because our staff aren't necessarily trained in doing that and I believe it was over the last financial year, or at least in the last 18 months, we've had some training around trauma-informed care and what that actually means for our claims officers so that they can get that. It's an understanding you don't have unless you've dealt with it. It's very difficult, so we're trying to encourage our claims officers to get more training in that and as part of that supported claims future, we'll be building in more of those practices using input from our panel of occupational therapists and others who are in the field every day. They gave us feedback as we went through that transition to three teams so we have their input and we're still providing that feedback. Our claims officers are not providing the care. They're providing the funding and sort of making sure the right people are there, but the more informed they are, the more they can get the right people to react with them first. It's an ongoing development of our claims officers' understanding the issues better. As part of the Trauma Support Tasmania training them was giving them that perspective on what do you do.

**Ms WEBB** - To check in on that, if that's all right, the language you just used was you encourage your claims officers to access that training. Why isn't it a requirement that they would?

**Mr KINGSTON** - No, it was a requirement, so everyone did do it, but we encourage all staff to identify further training they might want.

**Ms WEBB** - Sure.

**Mr KINGSTON** - Every staff member has to come up with at least one extra thing they want to do. No, sorry, to clarify, we gave that training to all claims officers. That was a requirement. Yeah.

**Ms WEBB** - Thank you, appreciate it.

**CHAIR** - Mr Edmunds.

**Mr EDMUNDS** - A couple of questions about investments. I remember we had a pretty good chat about that last year, but obviously a fair few new faces.

**CHAIR** - We?

**Mr EDMUNDS** - That was the old committee, yeah. You have more than \$2 billion of investments. How much of that is invested in Tasmania.

**Mr BALCOMBE** - You want me to go on that one, minister?

**Mr ABETZ** - Yes, of course.

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**Mr BALCOMBE** - Yes, we have an investment framework where we invest through - we don't invest directly. We invest in funds and work in conjunction with our investment adviser. We don't hold any direct investments in Tasmania.

**Mr EDMUNDS** - What proportion of the portfolio is exposed to high-risk assets and how is the risk being balanced against long-term liabilities?

**Mr BALCOMBE** - Each year we do what we call an SAA review. We look at our strategic asset allocation and as part of that - pardon me, my index isn't working, but I'll work from memory here. One of the things is that if you want to, need to make a return - thank you, Paul - we need to take some risk and there's two elements to that. You will do well in good times and you will incur some volatility, particularly in the bad times. Such time as a GFC or a crypto - pardon me, not a crypto meltdown that hasn't happened yet - but the IT meltdown and things like that, I hope, anyway we'll see what happens there. We've always got to take a balanced approach. In general what we're trying to do is to take a level of risk we think is commensurate with the objectives of the organisation. We have around 62 per cent of the portfolio that's exposed -

**Mr KINGSTON** - Yes. It's nearly 69 percent, now.

**Mr BALCOMBE** - Its 69 now that's exposed to growth assets. That puts them into a perhaps, a higher risk category than if you were to just have the money in the bank. We're targeting a rate of return, a 15-year rolling average of 1.5 per cent in excess of effectively wage inflation. You're not going to win that unless you do take some risks. We take a very measured approach to risk because one of the things we do is every time we look at the strategic asset's allocation, we have modelling done. We stress test that under a range of scenarios, both good and bad, to ensure that in particular, there's a very low risk of a significant tail loss.

That's where you might be - have one of those big events like a GFC or something like that or a pandemic where we make a very significant loss in the portfolio. One of the things we're very focused on is ensuring this fund is sustainable. The last thing we need to be doing is then telling the government we can't meet our obligations. We're a long-tail insurer and if you like we're a pretty long tail investor. Paul, you might want to perhaps give a bit more detail on that. In general, we're about 69 per cent exposed to growth assets and there's a spread of risk amongst those very assets. I'm not sure there's anything in the high-risk category we would say exists.

**Mr KINGSTON** - And we take investment advice from our consultant investment adviser, Frontier Advisors. They present us with - having looked at our principles which are on those return objectives - then the risk objectives are not having a big tail loss, making sure we've got low percentage of having loss overall. We set ourselves quite conservatively. They then give us funds to invest in that they recommend the best of breed that meet our objectives. It is generally conservative, more conservative than a fund that's looking at the next 12 months, because we're looking at decades ahead for our objectives.

**Mr EDMUNDS** - Is that advice the 1.78 in investment expenses, is that where that comes from?

**Mr BALCOMBE** - The investment expenses are spread across the investment adviser, but then the cost of running the funds as well. We have I think 22 or 23 pooled funds. Each of

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those have their investment fees - there are investment fees actually to each fund manager - and then funds also to the investment consultant. The investment consultant receives \$0.4 million in 2023-24. In 2023-24, \$8 million was for fund managers. We also have a custodian that actually holds our assets and does compliance checks on those fund managers. They got \$0.5 million. The investment fees are probably related more to just the fund managers in terms of the annual report.

**Mr EDMUNDS** - How do you ensure - like obviously being a public, you know - exposed to things like we're doing today - how do you ensure those costs are justified and deliver value relative to the returns?

**Mr BALCOMBE** - The investment consultant - that goes to tender every three years. We've just extended the option on that investment consultant for a further two years - pardon me, three years. We do a board survey every year on that consultant to get the views of the board about their performance. We also look at the performance of the fund in general to make sure that we we're getting two things - value for money and good advice.

We see a lot of these investment consultants there in front of us at every board meeting with the reporting. We get economic updates. We get reviews relating to every topic investment we have, and we generally get one or two of those a month. We look at not only the product that we're invested in, but we also look at the manager we're invested in to make sure that they're delivering. Sometimes we might select a different manager on the back of that. It's a very comprehensive process that we undertake there.

**CHAIR** - Thank you. A question around the boards adopting the position of declining scheduled benefits for injured persons using personal mobility devices - minister, have you addressed your mind to that particular policy?

**Mr ABETZ** - I'll ask Mr Kingston to explain that further.

**Mr KINGSTON** - Just so I understand the question, if someone's driving a personal mobility device, it has to be registrable under the Motor Registry's registration process. I believe that it's a policy decision beyond us. I think it was taken by governments across the country, that PMDs weren't registered on that unless they met certain criteria - things like they have -

**CHAIR** - Capable of exceeding 25 kilometres.

**Mr KINGSTON** - Can't exceed 25 kilometres, not just don't. They can't be tuned down. They can't be possible going beyond that. They have to be registered to actually be in or exempted by the Motor Registry, which is what they've done for the trials that have been happening for the e-scooters around councils. That's not a decision we've made. That's a decision that State Growth is in effect making.

**CHAIR** - Hence my question to the minister. Minister, the government is actively promoting the use of personal mobility devices. Is that something that you will take a look at and provide some input into?

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**Mr ABETZ** - We'll have to have a further look at that, given the growth in the numbers of these devices. I'm sure what the community appetite is to start registering them and having number plates and -

**Ms ARMITAGE** - Paying money.

**Mr ABETZ** - MAIB et cetera. I do know that somebody, a former Senate colleague of mine - his spouse was badly injured on the footpath, she being a pedestrian, and accidentally run into. Then how does that person with a broken hip and thigh bone et cetera get looked after if the person isn't insured? They are things that we need to adapt to as a government, as a community.

**CHAIR** - So yes, you will address your mind to it?

**Mr ABETZ** - Yep, we will have a look at that.

**CHAIR** - Thank you. Another one that's been raised with the committee is that, anecdotally, there appears to be an increasing number of claims being filed interstate, with the argument that a higher damages award is likely to be made compared to the Supreme Court of Tasmania. Is anyone having a look at that trend or have noticed a trend?

**Mr ABETZ** - I'm wondering whether that's because there are potentially more motorists from the mainland over in Tasmania. That's a speculation on my part.

**Mr KINGSTON** - Our registration follows the motor vehicle. Tasmanian registered motor vehicles involved, we respond. Sometimes that can be in the mainland. Sometimes can be visitors down here that have an accident with the Tasmanian registered motor vehicle, whether a hire car or a local resident. That means we do have cases brought interstate by interstate people, and they tend to look locally to engage with their counsel. In some cases they can bring claims through the schemes in other states, even though it might have happened here or involved a Tasmanian registered vehicle. We have to respond to where the plaintiff decides to lodge the claim. So that's about interstate lawyers and we do have interstate lawyers that respond. They're a very small percentage of what we do. Most of them are brought in Tasmania.

**CHAIR** - You haven't noticed any trend?

**Mr KINGSTON** - There's been a small change in that some new entrants to the Tasmanian legal market, based from the mainland originally, have picked up some more claims of late. And so, there has been a slight increase, not massive, but there has been a slight increase. But we deal with them under the same legislation approach we bring, whether they're interstate legal firms or Tasmanian based legal firms. Hopefully, the client doesn't get any different outcome if we deal with them the same way.

**CHAIR** - Another question for you, minister. Would the government consider undertaking a review on motorcycles and cars? Given a 750CC motorcycle - forgive me for not remembering what it was - Moto Guzzi is a pretty safe motorcycle. Therefore, given the premiums that are attached to motorcycles compared to vehicles, the industry is very keen for you and State Growth to address your mind or even partake in a review. Is that something you consider?

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**Mr BALCOMBE** - We set the premiums, minister. One of the reasons that motorcycle premiums are what they are is because of the rate of claims.

**CHAIR** - A lot of them unregistered vehicles.

**Mr BALCOMBE** - They wouldn't have coverage. If they're not registered, they would not have coverage.

The issue is there are far more accidents per thousand registered vehicles on motorcycles than there are on normal motor vehicles. If we were to keep everyone on the same rate, not looking at myself, everyone driving a normal motor vehicle would be cross subsidising motorcycle drivers because, pardon me, I'm just trying to look at the -

**Ms WEBB** - Wouldn't there be some fairness in that, given it's often going to be the car's fault?

**Mr BALCOMBE** - No, that's actually not right. About 70 per cent of motorcycle accidents are single-vehicle accidents. We have a lot of windy roads.

**CHAIR** - That's not how the motorcycle fraternity see it.

**Mr ABETZ** - No they don't. But the facts are as the chair's outlined.

**Mr BALCOMBE** - The other issue is the level of protection afforded to motorcyclists is much lower than what we get wrapped up - cocooned in - a motor vehicle. They are a higher rate of accident and their cost of the claim, in that severity of the injury, is often much higher.

**Mr GAFFNEY** - It was pointed out from the Motor Cycle Riders Association, that inadequate clothing for some of its riders is one of the reasons why people get hurt when they fall off. It might not be an impact of another vehicle, but they've dropped the bike on the corner, or whatever, and a lot of them don't have appropriate protective clothing. For a lot of young riders it's possibly too expensive for them to be able to afford. It was put to us, if the MAIB really wanted to make a difference to those young riders, that when the person got their motorcycle licence, if they were afforded some sort of certificate they could take to a place and say I get 20 per cent off getting appropriate clothing. Do you see what I mean? Some sort of incentive.

**Mr BALCOMBE** - I understand it, but isn't that another form of cross-subsidy?

**Mr GAFFNEY** - What's the end game here?

**Mr BALCOMBE** - The end game is about the safety message. Two things. One of the things we should be promoting through RSAC perhaps, and through the Motorcycle Owners Association itself is the need for appropriate protective clothing when you get on your motorbike. I have a 29-year-old son who rides a motorbike and I saw him the other day. He had his leather jacket on, but he had denim trousers on, and I said, 'you shouldn't be on that motorbike.' We have to be conscious here. I think it's a great sentiment. It's probably more in the realm of government than MAIB, sorry, minister, to hand this to you.

**CHAIR** - I did ask the question to the government, to you, minister.

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**Mr BALCOMBE** - I think the challenge is, this is about education as much as anything. It's like getting in a car and not wearing a seatbelt.

**Mr GAFFNEY** - Yeah true, but most cars come with seatbelts that people can afford. A young person buys a motorbike for 'x' amount of dollars. They can't afford \$1500 to \$1800 for adequate clothing.

**Mr BALCOMBE** - I'm not sure that's the remit of MAIB. I think it's more about the safety message to me. It's a personal view, sorry.

**Mr KINGSTON** - We have done some safety - from the RSAC perspective, again, we've funded it as MAIB because we fund our RSAC, we have run a campaign around getting the right gear. There's an education campaign out there that was the - I think the Tasmanian Motorcycle helped us generate that campaign. It was to push people having the right gear. Through RSAC we have funded, at Bucaan House at Chigwell, the great program that was to get young people from disadvantaged areas to get their motorcycle licence so they could get a job. It was motivated by good social outcomes as well as safety. As part of that program, I believe they got some money towards or they got recycled gear or something through some of the associations, I think, to help them get there. So, there has been some done, particularly in that disadvantaged area, and that program, I think, is being looked to be expanded. It's more of a government policy and an RSAC issue than MAIB directly, but we provide the funding for that. We are doing some things around it.

**Mr EDMUNDS** - The portfolio achieved 7.2 per cent return for 2023-24, but as we talked about a year ago, that's subject to fluctuations. Does MAIB regularly exceed the target return and would this suggest that the 4.5 per cent return target is not ambitious enough?

**Mr BALCOMBE** - There are a couple of elements to that. The returns have been fairly solid of late, is probably what I would say. I am conscious also, that the target is based on two elements. We are using a base level of Tasmanian AWOTE, average ordinary time earnings, pardon the acronym, plus 1.5 per cent. AWOTE does vary, according to what's happening.

**Mr EDMUNDS** - What do the letters stand for?

**Mr BALCOMBE** - Average weekly ordinary time earnings. It is an index. That target does climb up and down. We have high wage growth at the moment. It is sort of a proxy for inflation. We think because a majority of our costs are linked to wage costs, as Paul's already alluded to, a lot of our cost is driven by the cost of labour. We think it's an appropriate index and 1.5 per cent above that we think is - we're talking on a long-term basis here. For a 15-year average, we know there will be some perturbations in among those 15 years.

**Mr EDMUNDS** - Is it fair to say that MAIB's underlying profits and, ultimately, dividends are driven more by investment returns than any other factor?

**Mr BALCOMBE** - It's a significant component of what makes the organisation sustainable. It's hard to argue away from that. If we didn't have an investment portfolio, we'd be having our hand out to government. We are very conscious about running an efficient

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business and we're very conscious about the price of our premiums through to the Tasmania motor-vehicle user.

**Mr KINGSTON** - If I could just add to that. We have a smooth dividend policy. It's taken a five-year average, so the most recent year plus four before, which takes out some of that volatility. It generally is, the investment returns, 50 per cent stays with us to continue to build up for those long-term clients we'll have for many decades, and approximately 50 per cent is returned to the government, and our premium revenue covers our claims cost. There is blending of that, but that is broadly how the finances are structured.

**CHAIR** - Minister has any consideration been given to a no-claim bonus for premiums? Is that something - it happens in other areas of insurance.

**Mr ABETZ** - No. I haven't exercised my mind on that. Is that ever been brought up with the MAIB?

**Mr KINGSTON** - Minister, it hasn't been in my short tenure on the board.

**CHAIR** - Well, here we go, something new. I'm happy for you to take that on notice and come back with it.

**Mr KINGSTON** - It has been raised in the past, usually by motorcycle groups trying to get lower premiums generally. So, basically, experience-rating people whether you've had an accident or not is sort of how it's come up rather than as a bonus, a no-claim bonus. But, we're really a social insurer, so our costs are spread as wide as possible, so we want as many people licensed and registered so that we spread the cost evenly. It's why cross-subsidies across classes we don't really like, and neither does the economic regulator who ultimately sets our premiums.

**CHAIR** - Like those big Rams at \$100 less to register than a motorcycle.

**Mr KINGSTON** - Yes, and again it comes back to claims cost. Every class of vehicle is set based on how much the claims cost. So, if there are more claim costs, and we don't want claim costs, that class will pay more. And, motorcycles, as we've gone through, are 3 per cent of the registered vehicles and 19 per cent of fatalities and serious injuries, so they just cost more, unfortunately. Where it's been brought up about experience rating we don't do it. Virtually no CTP scheme in Australia does it in any area. The reason being that the people who are most likely to not be able to afford insurance are those who are likely to have the oldest cars, are going to have the accidents and then they would not be in the insurance system. I know the motor registrar see it the same view as I with licensing registration. We want as many people in the system as possible, so you can help deal with them, rather than disincentivising them by in effect - anything we give in terms of no-claims bonus will be paid by somebody else because we've got to click the premium across the class. The people who can least afford it could end up probably not being able to.

**Ms WEBB** - It's the least of all who'd be most at risk and it's all the 19-year-old boys out there.

**CHAIR** - Ms Webb working towards the final question.

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**Ms WEBB** - I just want to come back to a topic we were talking about earlier with the member for Mersey's questions and we talked about the training for your staff and the programs you've been rolling out, which sounds like it's been a really proactive program. You had my mind ticking over on some fairly large amounts of money being spent year to year, particularly to one organisation, I think it was PeopleTalking, and so I'm just checking, do you tender for those contracts then to award?

**Mr KINGSTON** - We didn't in the start because we ran out a program that was underneath our tender threshold and then staff had said that they wanted to continue that program so we continued it. I think moving forward we would be looking to go out to tender again. We actually started with a Tasmanian-based - a different provider based in Launceston with that program and they then didn't go forward, so we had to go somewhere else and we went to PeopleTalking. And each of the programs were underneath our threshold and I think we've probably reached a point where it would be good to go back out to tender, to make sure that those programs going forward are offered to a broad range, including potentially Tasmanians, which we generally like to do business with. We haven't to date. And there's several programs wrapped up in there, so it's not like we paid them \$270,000 whatever in one go. There was three or four programs -

**Ms WEBB** - You don't have a way to accumulate the contracts that you're paying to one particular organisation, so because you break it up into different programs, they're able to get more than a quarter-of-a-million dollars in contracts without ever going through a tender process?

**Mr KINGSTON** - Our threshold is up to \$400,000 before we have to go fully out to tender, so it's still underneath that. But, I think that going forward, we will need to do that to make sure that we - it isn't disaggregated to the point that they get a lot of money, but up until now it's occurred because it worked well and staff wanted to continue. Part of the training program is for us to train our own trainers so we don't have to go back to them. That's what we're in the mode of now doing. I think in hindsight it's a lot of money without a procurement process and we will look in the future to make sure we do.

**Ms WEBB** - Did you apply any other sort of conflict-of-interest test to it or those sorts of things? Because, obviously, especially in a place like Tasmania, people who know people sometimes get contracts, so that's the sort of risk you're facing, the perception of that. Especially if you're awarding contracts with no tender. Did you have any of those sorts of processes in place when you originally -

**Mr KINGSTON** - Each one we do, we do an assessment across the executive team about whether it's appropriate to do or not, so it's not just one person making a decision. In fact, the broader senior leadership team were brought into this and said that's what they wanted to continue. It's an actual component of program that PeopleTalking happen to deliver in Australia, so that's why we've picked them up. We've also awarded contracts to Tasmanian businesses without necessarily going to tender, for those program grants of about \$60,000, \$70,000, \$80,000, without necessarily going to tender either. We've based it on, have we heard that those people have done the right thing, and does it meet the needs that staff have raised? For those training programs, we've based it on what people - and we have talked around about the impact in Tasmania of those programs. We definitely will, I think, going forward, go to something more procurement-based.

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**Mr BALCOMBE** - I would note, we also have a stringent code of conduct that requires anyone in the business to call that a conflict of interest. We'd be expecting people to do that.

**Ms WEBB** - People would have declared a connection, for example, if you were awarding an \$80 000 contract for something, there would have been a declaration of a connection.

**Mr KINGSTON** - Absolutely. Yes, if there was any connection or anything like that - yes, we're very stringent on conflicts of interest. It's Tasmania, it's Launceston. If this was just a program that -

**Ms WEBB** - That's documented and that goes to the board then for review?

**Mr KINGSTON** - Depending on the level, it would either go to me or the executive or to the board, depending on it. When we have run procurement processes, we do have a probity adviser, and all those conflicts of interest would go through there. If there was a conflict, if there was a relationship or anything, it would have been declared and it would have gone to the board. We wouldn't have done anything but go to the board if it was a big enough procurement and it caused an issue. There was nothing raised around it.

**Ms WEBB** - Nothing was raised in relation to these over the past few years?

**Mr KINGSTON** - No, nothing. It was just the success of the program, and we wanted to continue with them. I think it's now time, as you point out, it'd be good to test what else is out there.

**CHAIR** - Thank you. Minister, that draws the questions to a close. On behalf of the committee, we'd very much like to thank everybody involved in today's exercise, and on behalf of the committee, we wish you and everybody here a very happy and safe Christmas. We look forward to, once the committee deliberates, if we need to bring anyone back, then we look forward to doing that in the New Year. Thank you very much.

**Mr ABETZ** - Wishing people a safe Christmas is a very apt wish for this committee, or the hearing.

**CHAIR** - That's right. Absolutely. There'll be a lot of people on our roads.

**Mr ABETZ** - Can I just observe that I think our Tasmanians are exceptionally well-served by the MAIB.

**CHAIR** - Thank you very much, minister. We will suspend until just a tad after 3.45 p.m. and then we'll recommence our broadcast with the Port Arthur Historic Site Management Authority.

**The witnesses withdrew.**

**The committee suspended at 3.42 p.m.**