1. A review of Queensland’s Compulsory Third Party (CTP) scheme earlier this year indicated room for improvement, including reducing delivery and acquisition costs and promoting greater price competition.
2. One of the key drivers to these rising costs is the payment of commissions and inducements by the insurers to intermediaries to acquire CTP business, particularly the new vehicle market. These payments are not only made at the point of sale of a new vehicle, but trailing commissions have become a feature with payments continuing to be made while the policy remains with the existing insurer. These tied arrangements hinder competition by providing a barrier to new entrants or insurers wanting to increase market share as well as limiting consumers’ choice of nominating an insurer when purchasing a vehicle.
3. The Motor Accident Insurance and Other Legislation Amendment Bill 2010 removes the payment of these types of commissions and other incentives to intermediaries while still allowing policyholder inducements. The Bill also allows an insurer, at the request of the policyholder, to assign an inducement made to the policyholder as a financial donation to a charity registered in Queensland, but prohibits any type of trailing payment. A similar arrangement is permitted with respect to a financial donation to a road safety research entity affiliated with a university.
4. The Bill also includes a number of technical amendments including changes to the process of allocating policies in the event of a CTP insurer withdrawing from the scheme or becoming insolvent as well as aligning the *Motor Accident Insurance Act 1994* with Queensland’s motor vehicle registration legislation.
5. To reflect the changing nature of infrastructure investment and to reinforce existing safeguards, a range of amendments to the *Queensland Competition Authority Act 1997* are included in the Bill. The Bill also contains amendments to the *Transport Infrastructure Act 1994* (TIA) to provide legislative protections specific to QR National Limited’s (QR National’s) corporate governance framework so that QR Network’s Board does not unfairly discriminate between access seekers as a result of their directors’ duties toward QR National. Amendments are also made to the TIA to strengthen the provisions which accord priority to passenger trains in both the allocation of capacity on the network and in day to day train control operations and to preserve existing freight paths are also included.
6. Cabinet approved the introduction of the Motor Accident Insurance and Other Legislation Amendment Bill 2010.
7. *Attachments*

* [Motor Accident and Other Legislation Amendment Bill 2010](Attachments/Bill.pdf)
* [Explanatory Notes](Attachments/Exp%5b1%5d.pdf)