



Speech by

John-Paul Langbroek

MEMBER FOR SURFERS PARADISE

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LEGAL PROFESSION BILL

Mr LANGBROEK (Surfers Paradise—Lib) (5.17 p.m.): I am pleased to support the member for Caloundra in rising to speak to the Legal Profession Bill. In doing so, I note that there has been much interest in this bill by the profession. It has been expressed to me that many of the reforms are long overdue. I would like to speak on three main aspects of the bill: firstly, the lack of safeguards in this bill to protect the independence of the legal profession with regard to multidisciplinary partnerships; secondly, the lack of certainty with regard to the time line on which the provisions in this bill will become functional, in particular the dates on which practices will be able to incorporate; and thirdly, the effect of the independent commissioner and the benefits that that will have for the legal profession.

The concern that I wish to raise with reference to multidisciplinary partnerships—or MDPs—is the distinct lack of regulation for a practice that could easily be manipulated. Knowledge of the practise of law would tell members that the logical partnership for an MDP would be lawyer and accountant, lawyer and financial consultant, or lawyer and real estate agent. However, there is no limit as to the professions that can be invited so close to the inner sanctum of the legal profession. I am sure, though, that the imagination of the members of this House could rove to explore the possible combinations that could arise. My point is simple. The legal profession needs, by its very nature, a certain level of independence. The burning question that must be answered is: will the privilege at the essence of client communications be guaranteed while there are other professionals involved in such communications? Unfortunately, this bill does not address this question at all. There are no provisions in this bill to prevent the breaching of the sanctity of client communication. Rather, the only safeguard from the client's side is that in the event of something going wrong in the partnership the full burden of liability falls on the legal practitioner, not on any of the other parties.

While this is designed to give a greater element of control to the legal practitioner, it also provides a great risk. As such, it is likely that very few legal practitioners will find a partnership in which they are comfortable enough with their partner to be willing to place their professional future in their partner's hands. In this way the benefits of MDPs are perhaps lost. Some protection for legal practitioners by this bill would mean that more and more legal practitioners would be likely to branch out into MDPs. In its present state, though, the many benefits of MDPs to the profession will not be as great as they could be with only slight amendments to the bill.

Secondly, I would like to express grave concerns about the ambiguity over when some provisions, namely the incorporation provision, will come into effect. From talking with industry professionals, particularly those in newer practices, I have found that their eagerness to incorporate as soon as possible is evident. Those in the profession have not been notified as to when this very important provision will be able to be utilised. I ask the minister to provide the public with a time frame for such provisions so that businesses can function without such uncertainty.

The incorporation provision is a very important provision. It is one that has been a long time coming. It staggers me to think that, for a government that prides itself on being the first to do everything, this is just another example of where other states are waiting for us to catch up. It was expressed by profession representatives in New South Wales during the preparation of their equivalent legislation that other states,

of which Queensland was one, were dragging the chain in their non-implementation of this provision. It is good to see that only four years has elapsed for the Smart State to take action.

The benefits of incorporation are great. It places legal firms on a level playing field with other businesses and enables them to operate. Incorporation gives legal practices the opportunity to compete in the international market. As a result of this, they will be able to become leaders in the Australasian region. Moreover, firms will be able to raise venture capital in a bid to expand their legal service capabilities.

Lawyers have for many years been providing legal services—vital services—to our community. This provision gives lawyers the option of enjoying some of the benefits of the commercial intercourse other professions enjoy. The only question is: why did it not happen sooner? Perhaps the reason it did not happen sooner was the slow uptake of the incorporation provision in other states, in particular New South Wales. I do not really take this point with much weight. In New South Wales there are a number of very large, well-established firms. These firms would find the burden of stamp duty and other incorporation procedures too onerous. If one looks at the rate at which smaller firms have taken to the incorporation process in that state, one sees that it is much like a duck to water. I have no doubt that a similar thing will happen in Queensland. For the benefit of our growing legal industry, it is imperative that we give newer firms the chance to incorporate and expand. As the member for Southern Downs said, these are the firms—the smaller ones—which provide the great coalface and work in many regional and suburban areas. Anything we can do to help them progress is vitally important.

Finally, I would like to commend this bill for the way it puts in place an independent commissioner. The previous situation saw the Law Society judging its own—Caesar judging Caesar, if you will. This had the potential to lead to some cases being run on a personality basis, or at least the accusation of such, by the lawyers involved. The new set-up will not see the Law Society holding up trophies of its own conquests. However, as the Law Society itself says, it will provide more scrutiny over the action of lawyers. The independent commissioner, by its nature, will be able to apply greater scrutiny of the profession from the outside looking in. It will be very interesting to see the types of people appointed to this role. I can assure the Attorney-General that the Liberal Party will be watching these decisions closely.

This bill has been a long time coming. It will be interesting to see the outcome of the very easy provisions governing multidisciplinary partnerships. Also, I urge the minister to state as soon as possible the date that firms will be able to incorporate. I conclude, though, by saying that the bill is good in its overall appeal. As the member for Caloundra stated, the Liberal Party will be supporting this bill.