




Speech By
Daniel Purdie

MEMBER FOR NINDERRY

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**MOTOR ACCIDENT INSURANCE AND OTHER LEGISLATION AMENDMENT
BILL**

 **Mr PURDIE** (Ninderry—LNP) (5.25 pm): I rise to speak to the Motor Accident Insurance and Other Legislation Amendment Bill 2019. I would like to acknowledge and thank my fellow members of the Economics and Governance Committee for their careful consideration of the bill, the 11 stakeholders who made submissions to the bill and the witnesses who attended the public hearing on the bill in July this year.

The key objective of the bill is to protect Queenslanders from predatory and unscrupulous car crash scammers trawling for personal injury claims. The bill introduces new laws to the state's compulsory third-party insurance scheme that will crack down on insurance claim farming. Most of us have received calls, emails or requests on social media from individuals or call centres located both here and overseas harassing us for information about a car accident that we or a family member may, or may not, have been involved in. In fact, in her introductory speech the Deputy Premier cited research on the bill that showed that 1.5 million Queenslanders are believed to have been targeted by claim farmers.

Market research commissioned in 2018 by the Motor Accident Insurance Commission, the regulator for compulsory third-party insurance schemes, revealed that 30 per cent of Queenslanders had been contacted by a claim farmer in the 12 months prior and 50 per cent of these numbers were on the Do Not Call Register, proving it to be utterly useless. I have a silent number and I still receive these calls.

Currently, there is no consumer protection—unless we count Labor's public education campaign in February this year, which simply said, 'Just hang up on the scammers.' If people did not get that memo, they are most likely feeling vulnerable, anxious and powerless against these scammers, who will manipulate people with the lure of compensation. The Motor Accident Insurance Commission has received 1,000 formal complaints, with 550 of these being received in just a four-month period. No doubt this is the tip of the iceberg, as the daily occurrence of these calls has crept into our time-poor lives, which means that many incidents go unreported.

These long overdue reforms, which were promised by the Labor government 15 months ago, respond to a three-year concerted campaign by the Queensland Law Society for better protections. In today's world, as evidenced by the need for this legislation, survival in the digital age is cutthroat. Scammers are outscamming the scammers. The opportunity for crime, corruption and deception are more rife now than ever. I appreciate the enormous duty that we have to create laws that are foolproof and future proof—laws that protect us from the new demons of the new world, laws that do not put one interest over another.

When the World Wide Web was created, it was a playground for hungry minds and now, seemingly, all internet based communication platforms are also the playground of criminals, identity thieves, opportunists and extortionists. Under this Labor government, claim farming has grown and festered. This legislation is a good start in protecting our vulnerable citizens.

The bill contains two major reforms. The first offence under proposed new section 74 removes the financial incentive for persons to engage in claim farming. This new section includes the prohibition of cold calling for claim farming and prohibits the offer of inducements for a claim to be made; the introduction of an offence to pay claim farmers for personal information, thereby reducing the incentive for legal firms to partner with claim farmers; and the mandatory provision of a law practice certificate from all legal firms representing a claim in which they must declare they have not been paid by a claim farmer.

The second offence under proposed new section 75 bans claim farmers from approaching members of the public. This section includes the expansion of the Motor Accident Insurance Commission's powers to include special investigative and prosecution powers and supervisory powers that will allow it to work with licensed insurers, ensuring they are acting with integrity throughout the claim process; increased protections in the case of speculative personal injuries claims, stipulating the maximum amount the practice can recover in legal costs—known as the fifty-fifty rule; and a pathway for genuine claimants to change law firms if they have inadvertently been caught up in claim farming.

The committee heard a range of concerns from stakeholders, including from small and regional law firms. While all stakeholders repelled the abhorrent practice of claim farming, legal firms, like all businesses, depend upon referrals. As a result of the referral system being overhauled by this bill, potential business leads can now only come from the not-for-profit sector and industrial organisations, potentially giving the large firms with these connections and massive advertising budgets an unfair advantage.

The bill's explanatory notes state that unions will also be excluded from having their advertising or sponsorship deals captured by the offence, the very offence proposed to specifically address payments received by claim referrals. Here we are again talking about the special privileges given to the unions without any justification or evidence that there is community support for their dispensation. We all know the unions fund Labor's political campaigns.

Unions are among the richest organisations in town with a clear mandate. There is nothing objective nor special about them, which is why I support the LNP amendments to the bill that even out the playing field by stamping out Labor's cosy union deal. If Labor turn their back on small business and regional Queensland yet again by ignoring the LNP's fair and equitable amendments, this bill, like all before from this Labor government, will promote union influence and appease union bosses.

Just because the fine print is hard to read does not mean it is invisible. I am proud to be part of an opposition that works hard to reveal the true motivation of Labor and to hold them to account. Queenslanders can do better than Labor.