




Speech By
Glenn Butcher

MEMBER FOR GLADSTONE

Record of Proceedings, 26 November 2019

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

 **Mr BUTCHER** (Gladstone—ALP) (12.25 pm): I rise to speak in support of the Motor Accident Insurance and Other Legislation Amendment Bill 2019. The Palaszczuk government made a firm commitment to stamping out the insidious practice of claim farming, and that is exactly what the Deputy Premier is delivering on here today.

Claim farmers use high-pressure tactics to create an impression of credibility, pretending to be calling from the Motor Accident Insurance Commission, other government agencies or insurers, with the goal of inducing the person to reveal their personal information. They often target the vulnerable—including children, the elderly and those from linguistically diverse backgrounds.

With the promise of quick and easy compensation, they deceive the person they have called and sell that personal information on to a legal practitioner or other claims management service provider. Claim farming practices are always evolving and action is needed now. Many people call into my office in Gladstone to talk to me about ways that they get continuously harassed by these people. I am not talking about just once or twice; I am talking about five or 10 times a week.

A MAIC commissioned survey found that over 1.5 million Queenslanders have been targeted by claim farmers. Respondents of the survey found that claim farming was a growing issue in the community, with many comments made about breach of privacy, the frequency of calls being received and also aggression from callers. One respondent said, 'I receive between five and 10 of these calls every week,' while another respondent said, 'I'm very worried that this person stated my full name, has my mobile phone number and knows where my location is on a GPS.' Respondents also told us that claim farmers have verbally abused them over the phone after questioning where the caller is from. This conduct is not only appalling but disgraceful. The people of my electorate in Gladstone do not need that at this time.

In her second reading speech, the Deputy Premier also highlighted some truly distressing examples of claim farming provided through the committee process. This is happening in the privacy of our own homes. When we leave work each afternoon and go home to spend time with our families, we want to know that our families' private information is protected. We will not be subject to the harassing and fraudulent behaviour of claim farmers here in Queensland.

With reports of claim farming increasing, it is clear that if left unchecked incidents of claim farming will continue to grow. It is clear that Queenslanders want decisive action on this issue, and that is exactly what this government and the Deputy Premier here in Queensland is doing. It is not just people's privacy at risk; it is the risk it has to the Queensland compulsory third-party scheme and the impact claim farming can have on CTP premiums. Here in Queensland, thanks to the Palaszczuk government, Queenslanders pay nearly \$200 less for their CTP premiums than those in New South Wales and Victoria.

We have seen what happens when claim farming is left unchecked. New South Wales experienced heightened fraudulent activity, a significant spike in minor injury claims and rapidly rising CTP premiums. We on this side of the House are proud that Queensland has the second lowest CTP premium in the country and the lowest on mainland Australia, and we want to keep it that way. We want to make sure that genuinely injured claimants are not impacted by the actions of a few bad apples and that Queensland's CTP scheme remains affordable and supportive of Queenslanders who are injured in car accidents.

The Palaszczuk Labor government has consulted extensively with stakeholders to make sure we respond with balanced and fair reforms which we are seeing here today. This bill establishes new offences which prohibit cold-calling or personally approaching a person to induce them to make a CTP claim. It also makes paying for claim referrals an offence. To stop people from engaging with claim farmers, lawyers will also be required to certify that they have not obtained the claim through a claim farmer.

Regulatory enforcement and investigation powers have also been strengthened, requiring claimants and insurers to provide additional information so the regulator can identify claim-farming behaviour sooner. The bill establishes a monetary cap of \$200 per gift or token of hospitality. The cap strikes a balance between stopping payments of claim referrals while allowing lawyers to exchange small gifts in recognition of existing relationships and practices in the legal industry.

Those opposite have said this bill will have the effect of funnelling legal work from smaller regional firms to city based firms, but nothing could be further from the truth. To be clear, this government is unashamedly about backing small business in our regional areas. These reforms will create a more level playing field for small and medium sized firms in the regions. These firms will not have to compete with other firms that can afford to pay large amounts to claim farmers for their claims. The Queensland Law Society described claim-farming practices as predatory, unethical and unscrupulous. The QLS supports the reform, saying that the bill creates a level playing field with interstate practitioners as it caps the amount a Queensland solicitor can charge under a no-win no-fee agreement.

Stopping claim farming is in the interest of all Queenslanders. It is unfortunate that those opposite used this opportunity to engage in union bashing once again. This bill should have complete bipartisan support. It should be uncontroversial that protecting the privacy of Queenslanders, stopping harassment and ensuring the continued viability of our CTP scheme are important to all Queenslanders, particularly our most vulnerable. The Palaszczuk government is focused on this issue and committed to this reform. Only Labor can be trusted to take decisive action on this issue. This bill delivers on our commitment to Queenslanders. I commend the bill to the House.