




Speech By  
**Kim Richards**

**MEMBER FOR REDLANDS**

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Record of Proceedings, 24 October 2019

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

 **Ms RICHARDS** (Redlands—ALP) (5.31 pm): I rise in this House today to support this bill. I would like to tell Tania from the supposed 'accident compensation board' who called me on Monday at lunchtime about an accident I had supposedly had in the last 12 months that this bill is for you, my friend: disgraceful claim farmers who get their hands on mobile lists from dubious sources. This legislation makes important amendments to the Queensland compulsory third-party insurance scheme to protect vulnerable Queenslanders and the integrity of our state's CTP insurance scheme.

Claim farming is a dirty practice. Like Tania on Monday, claim farming involves anonymous persons cold calling members of the public about whether they have been involved in an accident, often from dead-end numbers when you try to return the call. They falsely identify themselves as calling on behalf of an insurer, a CTP regulator, the Motor Accident Insurance Commission or, as in my case, the 'accident compensation board' allegedly with the sole purpose of assisting them to make a CTP claim. They use high-pressure tactics that are tricky and deceptive in nature—just devious. They try to elicit the person's personal information and agreement to submit a claim, often with the lure of quick and easy compensation. This information is then on-sold, of course for payment, to a lawyer or a claims management service provider to deal with the claim.

I am certain nearly every member in this House will have heard from their constituents about these dodgy types of phone calls. I know, not only through my own experience but also hearing from many seniors in my community in the scam forums that we have had, that it has been a very common complaint. It is a frequent and disturbing practice. Members of our community and some of the most vulnerable are being harassed often and repeatedly by these unwanted calls. The survey data from the department, as the member for Ninderry pointed out, estimates that over 1.5 million Queenslanders have been targeted by claim farmers. This is a staggering number.

As a member of the Economics and Governance Committee I had the opportunity to hear from stakeholders that included Queensland Treasury, the Insurance Council of Australia, Suncorp, Australian Lawyers Alliance Queensland, Slater and Gordon Lawyers, Shine Lawyers, O'Donnell Legal, Splatt Lawyers, Queensland Law Society and the Bar Association.

During the public briefing by Queensland Treasury it was noted that market research commissioned by the commission reported that 90 per cent of Queenslanders surveyed believed claim farming was a serious problem. The report found that 93 per cent of those surveyed believed it was important that the Queensland government take action on claim farming, with results higher among those who had been contacted by claim farmers in the previous 12 months.

Treasury advised that since 2015 there had been a 20 per cent increase in the number of legally represented minor injury CTP claims despite fewer road casualties and despite a reduction in reported motor vehicle accidents. Available CTP claims data collected by the commission suggest claim farming is a contributing factor. The explanatory notes stated that without legislative reform claim-farming

activities would likely increase, leading to more harassing calls received by Queenslanders, additional and exaggerated claims generated by the practice, pressure on CTP premiums and a loss of confidence in the insurance sector, and we know how important it is to try to keep down the costs of registration, particularly the CTP component.

In explaining the purpose of the bill to stop the practice of claim farming in Queensland, the Motor Accident Insurance Commissioner, Neil Singleton, noted the evidence provided by the Insurance Council of Australia spokesperson, Mr Tony Moss, who stated—

Claim farming business models ultimately undermine the scheme's objectives and work against the best interests of the public. Left to fester, claim farming will cause instability in an otherwise stable scheme and put unnecessary upward pressure on premiums.

Queensland has a fair and affordable CTP insurance scheme and it is so important we do everything within our power to keep it that way. That is why this legislation goes a very long way to making sure that we stop claim farmers. We have one of the few remaining schemes in the country which preserves an injured person's law rights while at the same time ensuring Queensland motorists pay the second lowest CTP premiums in the country.

There was substantial concern raised during the public hearing by the QLS and representatives of the legal fraternity that proposed section 74 would impact arrangements between law firms and sponsorship activities with entities like community organisations, school P&Cs and sporting associations. We made note of that in our report and I am pleased to see the amendments for consideration in detail that will provide certainty and clarity to allow legal practitioners to continue their corporate socially responsible activities in their contribution back to our communities.

In conclusion, I want to talk about the contribution and amendment of the member for Everton. It is a little bit confusing, but there is nothing new there. In his contribution he claimed the Palaszczuk government had failed to initiate the North Queensland insurance inquiry. I think he really should have gone away and done his homework a bit better. The opposition tried to raise this issue in the Townsville sitting and once again were embarrassed when they failed to read the report on election commitments. If the deputy opposition leader had reviewed the election commitments report published in November 2018—

**A government member:** If he could read.

**Ms RICHARDS:** I take that interjection from the member—he would have seen that the Palaszczuk government had taken action on North Queensland insurance issues by establishing the Household Resilience Program. The \$20 million Household Resilience Program delivered grants of up to \$11,250 to better protect people's homes by making them more resilient. I table that report for the House.

*Tabled paper:* Queensland government report, dated November 2018, titled 'Progress report on 2015 government election commitments' [1952](#).

We have taken real action. The Palaszczuk government is making sure that we are working hard for our North Queensland communities, particularly those regional places that experience these types of issues, unlike the federal government which has started a three-year inquiry which has not delivered a single outcome. I commend this bill to the House.