




Speech By  
**Samuel O'Connor**

**MEMBER FOR BONNEY**

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

 **Mr O'CONNOR** (Bonney—LNP) (5.38 pm): I rise today to make a contribution to the debate on the Motor Accident Insurance and Other Legislation Amendment Bill as a member of the Economics and Governance Committee. From the outset I thank my fellow committee members, the excellent secretariat staff and all of the stakeholders who submitted to contribute to our report.

Most of us have personally received these phone calls that we are talking about or have heard stories from those whom we represent who have been impacted, particularly our most vulnerable Queenslanders. I remember our inquiry hearings well as we looked into this bill and it was certainly fascinating to hear the different perspectives put forward by the lawyers and the insurers who had opposing opinions on some of these aspects.

I agree with the objectives of the bill. I think it is a step in the right direction. The bill aims to stop the practice of insurance claim farming, where an anonymous person contacts a member of the public to ask whether they or a family member have been involved in a motor vehicle accident. The bill creates two new offences to firstly take away the financial incentive for this practice and then to ban claim farmers from approaching members of the public. Often claim farmers are people who call from overseas call centres or make contact via email or through social media. Claim farmers suggest that they are acting on behalf of the Motor Accident Insurance Commission or another government agency or insurer to create the impression that they have credibility. The practice is predatory and unfair in its operation in trawling for personal injury claims and obtaining people's details. Claim farming has grown and festered, and I am glad to see some action finally being taken in this area through the bill.

All 11 stakeholders involved were supportive of stopping claim farming. However, a small number of stakeholders raised concerns about the bill, which in some cases I thought were reasonable. Several highlighted what they believe is the anticompetitive nature of the bill. During the public hearing we heard from smaller law firms that outlined how the bill may prove to be a competitive barrier for firms such as theirs, particularly in regional areas. Those firms cannot afford to enter into formalised relationships, especially with industrial organisations, or to undertake widespread advertising campaigns as larger firms can. Through this unions are again benefiting from the government, and Queensland small businesses will potentially suffer as a consequence. The bill's explanatory notes even state that offences to stop claim farming do not apply if the person is from an industrial organisation. The explanatory notes also state that unions will be excluded from having their advertising or sponsorship deals captured by the offence proposed to specifically address payment received for claim referrals.

In terms of proposed new section 74 specifically, virtually all stakeholders from whom our committee heard raised concerns about the impact it would have on their legal practices, particularly when it came to sponsoring entities or organisations. One small firm is run by Mr Kerry Splatt who, as

my colleague the member for Mermaid Beach noted, is aptly named for the majority of the work that he does. The principal of Splatt Lawyers stated—

... it seems to me that if referral arrangements are impacted then inevitably it will push consumers to those firms that either have links with industrial organisations and/or advertise a great deal or possibly those who have good links with community associations ... The reality is that small firms cannot afford those types of relationships. As such, if referral arrangements were squeezed out, in my view it would squeeze small firms out of the market.

I note the Treasurer's clarifying amendments that will bring in proposed new subsections 74A(2) and 74A(3) in response to those stakeholder concerns. During the public hearings it was clear that the industry representatives we heard from were very aware of the impact on the union movement through this bill. I note the further amendments to protect personal information that will be moved soon.

Insurers raised concerns about the proposed \$200 value limit for gifts and hospitality relating to persons giving or receiving referrals of a claimant or potential claimant. Many believe that that is too high. At the public hearing some stakeholders raised concerns about the \$200 consideration and its potential to create loopholes, as it was unclear how often a \$200 consideration could be gifted. Suncorp, one of the insurers presenting at a public hearing, suggested that a more appropriate limit would be \$50. The Insurance Council of Australia went further, believing that no gift of any value should be permitted to be received for the referral of a claim.

In terms of law firms and advertising, which I mentioned before, I often drive up and down the M1 and I see the advertisements. I have taken note of the Logan Law billboards all along the M1. That is a very effective campaign from one of Queensland's larger law firms. Often the ads are quite funny and I am sure they bring in a lot of clients to the firm. Sadly, I do not know how many smaller firms could afford such an expensive and effective campaign, which following the passing of this bill they may need in order to find clients.

Clearly action does need to be taken against claim farming in Queensland. However, my concern and that of my LNP colleagues is that proposed new sections 74 and 75 in clause 15, in particular, will disadvantage small and often regional firms in the market. As I said before, we are seeing unions put first, above the public and above small business. That is why the LNP will move amendments to even the playing field and stamp out that special treatment. We propose to strengthen the bill by removing the sponsorship agreement exemption for industrial organisations and inserting an additional section that explicitly precludes industrial organisation sponsorship agreements. To conclude, I support the objective of the bill and I support the amendments to be moved by the member for Everton.