1. Claim farming is the process by which a third party (the claim farmer) cold-calls or approaches individuals to pressure them into making a compensation claim. Claim farmers seek to induce or harass individuals to make a claim with the promise of quick, easy and significant compensation and then sell the individual’s personal information to a legal practitioner or other service provider who then handles the claim.
2. The *Motor Accident Insurance and Other Legislation Amendment Act 2019* was introduced to stop the increasingly prevalent practice of claim farming for compulsory third party claims. Stakeholders advise that the claim farming industry has since pivoted to general personal injury and workers’ compensation claims.
3. The Personal Injuries Proceedings and Other Legislation Amendment Bill 2022 (the Bill) amends the *Personal Injuries Proceedings Act 2002, Legal Profession Act 2007* (LP Act) and the *Workers’ Compensation and Rehabilitation Act 2003* (WCR Act) to prevent claim farming for personal injury claims and workers’ compensation claims. The amendments aim to:
* prohibit cold-calling or personally approaching another person without their consent and soliciting or inducing them to make a claim;
* make it an offence for any person to pay claim farmers for the details of potential claimants or to receive payment for a claim referral or potential claim referral;
* impose obligations on legal practitioners who represent injured claimants to certify during the claims process that neither they nor their associates have paid a claim farmer for the claim (the law practice certificate requirement);
* require law practices refund, or not recover, fees and disbursements paid in connection with a claim that has been claim farmed;
* provide the Legal Services Commission (LSC) with additional powers to oversee and enforce the new claim farming provisions and require law practices retained by respondent’s and insurers to notify the LSC if they suspect a contravention of the law practice certificate requirements; and
* expands the Workers’ Compensation Regulator’s enforcement and investigation powers so it can effectively prosecute claim farming.
1. In response to advice from legal stakeholders, legal practitioners will also be required to include certain additional amounts for fees and disbursement with legal costs when determining whether the legal costs charged to a client exceed the statutory limit under the LP Act.
2. The Bill also confirms when an entitlement for terminal compensation arises under the WCR Act and includes technical and clarifying amendments to the *Electoral Act 1992* to address implementation issues regarding the new political donation caps due to commence on 1 July 2022.
3. Cabinet approved the introduction of the Personal Injuries Proceedings and Other Legislation Amendment Bill 2022 into the Legislative Assembly.
4. *Attachments:*
* [Personal Injuries Proceedings and Other Legislation Amendment Bill 2022](Attachments/Bill.PDF)
* [Explanatory Notes](Attachments/ExNotes.PDF)
* [Human Rights Statement of Compatibility](Attachments/SoC.PDF)