



Speech by

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QUEENSLAND BUILDING SERVICES AUTHORITY AMENDMENT BILL

Mr FELDMAN (Caboolture—ONP) (2.37 p.m.): It is not often that we can congratulate a Government on taking on board what is endemically One Nation policy and then pushing to have it implemented. The Scurr report has lain on the table of the House for a very long time and sections of the industry have been crying out for this reform for many years. If the member for Whitsunday had not introduced the Queensland Building Services Authority Amendment Bill, I wonder whether the Labor Party would have placed the issue very high on its agenda.

The building and construction industry is extremely important to the Queensland economy. According to ABS's June quarter report for 1998, the value of building activity in Queensland was \$1.56 billion. Of the 17 industry divisions that are recognised by the ABS, the construction industry is the fifth largest. In August 1998, there were 130,500 people employed in the Queensland construction industry.

This is an important industry and it would fail without subcontractors. The current building industry structure does not cater for the protection of subcontractors should a builder default on payment for work performed by that subcontractor. Most subcontractors are either small, independently operated, sole proprietors or operators who work in partnership with their spouses. They are not large companies with the financial backing to ensure that their business survives should a default occur or the ability to take on major legal action should a builder fail to pay them. The vast majority of subcontractors in the building industry are the little Aussie battlers of the Australian work force. They are the mums and dads of the business world—businessmen and workers all rolled into one. They are the great fighters and courageous risk takers, but they are also the most vulnerable. They are typical of the average family at the heart of our society and it behoves Governments to ensure that they are not exposed to excessive financial risk.

Even a few thousand dollars can be a lot of money to lose for many of these subcontractors, who have little power in pushing for payment of the money that is owed—unpaid money which can mean the destruction of their business and livelihood as well as that of their employees. They run their business on the smallest of margins and work exceptionally long hours, both at work and at home, where they are not only the mum and dad but also the bookkeeper, the accountant, the tax agent and, very shortly, the GST manager for their business. Those few thousand dollars that I spoke of can make or break the bank for these battlers, because they operate on a margin smaller than the skin of their teeth.

Subcontracting is an essential element of the building industry and the economy of Queensland. Many young Australians start their careers with an apprenticeship with a subcontractor. Skilled tradesmen are desperately needed in this country and can only learn their trade with hands-on experience that the subbies provide. Subcontractors often give young people openings to careers and eventually their own businesses. Subcontractors also take a lot of risks. The fact that part or full payment is received after work is completed means that the subcontractor foots the bill for the materials and labour until the builder is paid and, hopefully, payment finally—and in some cases never—flows on to the subbie. The subcontractor must pay his accounts regardless of whether he receives that payment—work which cannot be undone easily should payment not occur. They cannot just go into a house and rip up the floorboards and scrape the paint off the walls just because a builder has not paid them.

Subbies require some sort of protection to assist them in receiving that full payment. This Bill begins to do that by tightening up the licence requirements. This will help to force dishonest builders from the industry and provide greater security for the subcontractor. This legislation does not place honest builders under any sort of threat at all. Nor does it involve the property owner in any way. What it does do is make things safer and more secure for the subcontractor in this industry. If people are doing the right thing, they have nothing to fear from this legislation. If they are doing the wrong thing, this Bill allows some justice for the subcontractor, who currently has little ability to fight.

The building industry and subcontractors need to be encouraged. Young people also need to be encouraged to enter the building trades. As the member for Bulimba rightfully pointed out, this is a great industry and a great Australian institution. This Bill provides more security for the subcontractor, more incentive for the builder to do the right thing, and more incentive for people to learn the trade and to start their own business in the industry, as the risk of default on payments to subcontractors by builders will be reduced.

The Minister has assured us that this is just the first step in a very long and overdue reform process. We will be watching very closely to ensure that this is indeed what happens. I support this Bill as it is a necessary first step in providing a more secure future for all industry participants. Again, we thank the Minister for bringing this Bill before the House and cleaning up some of the anomalies. This Bill is the very first step in a process that is long overdue.