



Speech by


Hon. Cameron Dick

MEMBER FOR GREENSLOPES

Hansard Tuesday, 24 May 2011

MINISTERIAL STATEMENT

Construction Industry, Workers Compensation

 **Hon. CR DICK** (Greenslopes—ALP) (Minister for Education and Industrial Relations) (11.13 am): Queensland has the most stable and sustainable workers compensation scheme in the nation, and we are determined to keep it that way. That is why last year we conducted a substantial review of the scheme and introduced a range of legislative amendments that took effect on 1 July 2010. At the time, we promised to continue our close monitoring of the system to determine whether ongoing adjustments were needed. In response to feedback from industry stakeholders we commissioned a structural review of the workers compensation scheme. I am pleased to report that the government has decided to adopt all 51 recommendations contained in the report prepared by Mr Robin Stewart-Crompton.

We have also received ongoing feedback from stakeholders that dodgy operators in the building and construction industry are engaged in sham-contracting arrangements to avoid their health and safety obligations. The allegations are that those operators engage staff as contractors rather than workers to avoid paying their workers compensation insurance premiums. That is because premiums are calculated according to the wages paid by employers to workers but not to contractors. This puts pressure on those employers who do the right thing. Sham contracting creates an unlevel playing field where some employers factor workers compensation insurance into their contract price while others do not. The risk is that dodgy arrangements deny workers compensation coverage to Queensland workers, leaving them unprotected in the workplace.

In response to this situation, today I am announcing that the Bligh government has launched a review of contracting arrangements in the building and construction industry. We want to know how widespread this issue is and the full impact of sham-contracting arrangements on workers compensation premiums and safety outcomes. I make it clear that legitimate contractors have absolutely nothing to fear from this investigation, but the Queensland government makes no apologies for opposing sham contracts because they jeopardise a worker's access to basic protections in the workplace.

Industry stakeholders, including unions, have raised claims and allegations in relation to sham contracting over the past few months as part of our ongoing monitoring of Queensland's workers compensation scheme. The industry reference group that I am announcing today will allow those claims and allegations to be properly tested. The industry reference group established to investigate sham contracting in Queensland's construction industry will focus on the particular responsibilities of state government, namely the effect of sham contracts—

Mr MALONE: I rise to a point of order. This is a bill before the House.

Mr SPEAKER: I would say to the honourable minister that if there is a bill like that before the House he should make sure that his comments do not transgress that bill.

Mr DICK: It is a pity that opposition members have not read the bill. The bill deals with nothing in relation to sham contracting. I would hope that there would be unanimity in this House in attacking sham contracting, which undermines the rights of workers in Queensland.

The sham contracting industry working group will comprise government, industry and worker representatives and will be supported by a consultant and departmental secretariat. That group has been asked to report back to government by 1 September 2011. The industry working group will include representatives from the Department of Public Works. As the contract manager for state government funded building projects, the Department of Public Works has been working with unions in relation to this issue. It has been tasked by my cabinet colleague, building services minister Simon Finn, to look into these issues associated with contracting on building sites and how these issues can be addressed. I am working cooperatively with the minister to address sham contracting.

I understand that the Australian government also has concerns about contracting in this industry. It is understandable and appropriate, given that the Australian government is responsible for significant areas in relation to contracting, including private sector industrial awards, superannuation and taxation. While the Queensland government has limited jurisdiction in relation to sham contracting, we are always concerned when workers' rights and entitlements are threatened. This review will help us better understand the scope and impact of these dodgy practices and identify those areas at a state level where we can take action.