




Speech By  
**Andrew Powell**

**MEMBER FOR GLASS HOUSE**

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## **BUILDING INDUSTRY FAIRNESS (SECURITY OF PAYMENT) BILL**

 **Mr POWELL** (Glass House—LNP) (3.34 pm): I too rise to address the Building Industry Fairness (Security of Payment) Bill. As many people in this debate have said, every member of parliament and every Queenslanders would love to find a solution for the slow payment or non-payment of our hardworking subcontractors across the state. I must confess to a pending conflict of interest. My eldest boy, Daniel, will officially start as an apprentice chippie in less than two weeks. I envisage that somewhere down the track he may potentially become a subcontractor. I want to ensure that if he launches into that vocation he will get paid. I reiterate: every member of parliament wants to find a solution for non-payment or slow payment of subcontractors.

However, I must reiterate what has been said by a number on this side of the House and what has been fed to me by a number of builders and those associated with the building industry in the electorate of Glass House. In particular, David Mansfield of Palmwoods, who works for Altum Constructions, came to see me. Mr Beau Williams, a builder from Maleny, also spoke to me about his concerns with the bill as it stands unamended. Those concerns were also reflected by correspondence I received from Master Builders. I will read some comments from a letter I received from Grant Galvin, the CEO of Master Builders. He said, like I have, that looking for a solution to the slow payment and non-payment of subcontractors is obviously a worthy cause. His letter states—

... and we can understand why Project Bank Accounts look like a sensible solution to dealing with this insidious problem.

However, given the complexity of the contractual arrangements between the principal (the owner), head contractor and subcontractors (let alone the other parties who are further down the supply chain) PBAs will not secure payment for subcontractors, despite Minister de Brenni's assurances.

If the Bill is passed in its current form, there is no question it will be a disaster for our industry and for builders and subcontractors alike. It won't give subcontractors the security they need and will simply create additional costs and administrative burdens for builders, that could ultimately hurt subcontractors as well.

We urge you to support amending the Bill.

I can assure Grant, David, Beau and the other builders who contacted me that we have certainly been advocating for amendments to this bill and it appears that we have had some success to the tune of—

**Mr Bennett** interjected.

**Mr POWELL:**—and I take the interjection from the shadow minister—143 amendments. That is up there with the racing minister's efforts on a racing bill and the same minister on an industrial relations bill. It demonstrates that, despite all the rhetoric from those opposite, they clearly got this bill wrong in its original state. Feedback from the likes of Master Builders needed to be taken into consideration to make this bill work. I commend people like David and Beau in my electorate for standing up and calling

for these changes. It is great that we will be seeing 143 amendments later this afternoon. This letter further states—

In particular, we have major concerns with the introduction of PBAs into the private sector (on projects with a value exceeding \$1 million) from January 2019. Applying them to the private sector will add to the cost of housing and construction, without securing payment for subcontractors.

At the very least, we recommend all Members of Parliament call for a comprehensive, independent review of the impact of PBAs for government projects (to be held after they are introduced in January 2018) before deciding on the fate of the private sector and introducing PBAs for private projects from January 2019.

We strongly recommend that the Bill be amended to give effect to this review at the end of 2018, as well as considering our further amendments outlined in the attached.

I understand that a number of those concerns raised by Master Builders will be reflected in the amendments this afternoon.

I want to put on the record that the LNP, in stating that we would support this bill, also made it very clear that we would deliver in government what the Master Builders are seeking—that we would create an implementation panel that would have representation from the Master Builders Association, subcontractors and the Queensland Law Society to make sure we work through the challenges that have been identified by these significant stakeholders in the industry.

It is not acceptable that we say something that will work in a rather low-risk environment of government contracts is going to be able to flow over quite easily into the private sector. I think the Master Builders are spot-on. There will be headaches and issues in terms of the implementation, and therefore the LNP's policy of embedding an implementation panel to work through those before the PBAs are applied to the private sector is eminently sensible and, I understand, well received by the Master Builders and other stakeholders.

As I said, all of us in this House want to see a solution for slow payment and non-payment of subcontractors. This bill had elements that made sense. There were significant concerns. There were calls by the likes of the Master Builders Association for amendments. We are getting 143 amendments, but this government needs to match the LNP on our commitment to have an implementation panel to review the rollout of PBAs in government contracts before it is applied to the private sector.