




Speech By  
**Christopher Whiting**

**MEMBER FOR MURRUMBA**

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

 **Mr WHITING** (Murrumbidgee—ALP) (3.11 pm): I believe that what we are considering is a very serious matter. I do not think there is any reason to raid someone's Christmas tree to bring a prop into the House.

I am very proud to support this bill today. It is the first of its kind in Australia to take such decisive steps to address security of payments for subcontractors. We have seen a string of cases reported and heard some strong testimony in our committee hearings about the persistent issues facing subcontractors in the industry. They bear significant risk and financial costs because they have much less power than some of the larger players further up the chain in the construction industry.

For a subcontractor in Queensland there is continual worry about when they will get paid, if at all, and the potential repercussions if they try to take any action around their predicament. This bill outlines a range of measures that will improve the current situation for our subcontractors. It provides for simplified, faster payment claims within these new provisions. These provisions will reduce the opportunity for head contractors to delay payments and will allow subcontractors to resolve those payment issues sooner.

The bill also increases the independence of the adjudication registry within the Queensland Building and Construction Commission and improves the adjudication process so that payment can be received more quickly. The bill also goes to great lengths to simplify the vast array of legislation that currently relates to security of payments issues. Relevant provisions from BCIPA, the Subcontractors' Charges Act 1974 and the new provisions around project bank accounts will be incorporated into a single piece of legislation. Having a single security of payment act will make it clear what the law requires and what is needed for our comprehensive security of payments regime. Provisions will be simplified and streamlined to make them easier to read and interpret. The language will also be modernised.

We know that we need to instil a strong culture of payment within the industry. This bill is at the forefront of that push to create and to strengthen that cultural change we need. For example, it will be an offence if a head contractor fails to notify a subcontractor about their intention to pay or not pay the subcontractor. This will send a clear message to head contractors that their current business practice of using subcontractors' money to fund other business activities or pay off their own debts is not appropriate.

This bill also enhances the QBCC's ability to regulate the building industry. This means finding and chasing people who are not paying. It also means stricter requirements and penalties to prevent the phoenixing of companies. From now, an individual who substantially influences a company's affairs cannot avoid penalty or the consequences if that company becomes insolvent.

The bill also includes a crackdown on unlicensed building work, which can have devastating financial and safety impacts. People who act unlicensed will face fines of up to 350 penalty units or one year imprisonment for repeat offences. This will align Queensland with most other jurisdictions and reflect the absolute serious nature of these offences.

Clearly, one of the most significant reforms in this bill is the introduction of project bank accounts, of which we have heard a bit today. The committee received a one-page submission saying that there would be a three per cent increase. I would like to see some more modelling behind that one-page submission. We had some very comprehensive submissions from a range of people. The government's extensive consultation has shown that there is strong support for taking decisive action to address this problem. Independent economic modelling has shown that these reforms to implement project bank accounts will have a significant net benefit of around \$4.2 billion to the Queensland economy.

There has been some angst about the introduction of the PBAs, but what I heard in testimony to the committee was that they were introduced in Western Australia and no-one could point out any problems or say, if there was an issue in Western Australia, what happened. There is one thing I wanted to rebut. We had this one-page submission from a particular developer. These PBAs are not going to apply to the vast majority of housing within Queensland. That is something that we need to be aware of. We need to be aware of any scare campaigns that are mounted about this driving up the cost of housing.

I have spoken before in this House about my desire to combat the terrible incidence of construction deaths within Queensland. There are many ways we can make construction and building a safer industry. What this bill will do is lessen the terrible financial and emotional strain faced by many workers and their families in the building and construction industry. It will mean fewer Queensland families losing their assets, their homes, their mental health or even their family life.

The stress felt when people cannot make house payments because they themselves have not been paid can only be imagined by most of us. I believe that last sitting week I said that there had been 81 deaths on construction sites in Queensland since 2008, though none on unionised sites. I remind everyone that financial stress and strain in the industry can lead some vulnerable men and women to take their own lives.

I acknowledge the great work done by Mates in Construction to help prevent suicide in the construction and building industry. They are a registered charity and independent of unions and employers. They help prevent suicide through community development programs on sites and they support workers in need through case management and a helpline. They do outstanding work here in Queensland. I thank them for what they do.

Finally, this bill enables us to build a more secure and safer Queensland. I pay tribute to all those men and women in the construction and building industry whose advocacy and bravery is propelling us in this House to make a better life for all of them. I commend this bill to the House.