




Speech By
Hon. Leanne Enoch

MEMBER FOR ALGESTER

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BUILDING INDUSTRY FAIRNESS (SECURITY OF PAYMENT) BILL

 **Hon. LM ENOCH** (Algester—ALP) (Minister for Innovation, Science and the Digital Economy and Minister for Small Business) (3.41 pm): I rise to speak on the Building Industry Fairness (Security of Payment) Bill. As the Minister for Small Business, I want to see all small business owners and operators here in Queensland, including our building subcontractors, paid on time and in full. For years now, security of payment has been an issue for Queensland subbies. For these independent operators, it is not just a case of, 'She'll be right, mate.' Late payment or non-payment for work carried out has dramatic flow-on effects that can ruin future businesses and tear apart families. We have heard heartbreaking stories of where lost income has resulted in operators losing not only their businesses but also their homes, and we have heard of the incredible and sometimes tragic impact on the mental and emotional wellbeing of business operators and owners.

This bill ensures that Queensland subcontractors are fully protected by the law with regard to the payment of work. These landmark laws—seen nowhere else in the country—set a new standard for Australia. Indeed, other state governments have been working on similar legislation. However, only the Palaszczuk Labor government has delivered on achieving a fair and balanced solution for the stakeholders involved. I would like to commend the Minister for Housing and Public Works for his work on bringing this bill before the House. I know this is an important issue for him, and he has listened carefully to stakeholders to deliver what is a fair and balanced approach to a difficult issue. I would also like to acknowledge and thank those who have contributed to this bill.

What this bill aims to do is eliminate the downward pressure on subcontractors by protecting them from significant financial stress. To do this, we are streamlining and speeding up payment claims through new provisions based on the current Building and Construction Industry Payments Act 2004, the BCIPA. We are also simplifying the extensive amount of legislation that is currently tied to security of payment issues and packaging that, along with new provisions on project bank accounts, into one piece of legislation. The changes brought forward through this bill will create a culture of on-time, in-full payment that will deliver financial security to tens of thousands of small businesses in the industry.

This legislative support will strengthen what we recognise as the backbone of our state—small business. These operators are not only key economic drivers in our cities; they also stand as the lifeblood of our towns, especially in regional areas. Our more than 414,000 small businesses account for 97 per cent of total businesses operating in Queensland and collectively contribute approximately \$110 billion to our state annually. A strong small business sector in Queensland means more jobs for Queenslanders. This creates growth throughout our regions and a stronger economy overall.

The construction industry in our state employs approximately 226,900 Queenslanders. That represents almost 10 per cent of all employees in Queensland. We know that small businesses in the construction industry are an important part of that contribution. Recently released ABS data shows the number of Queensland small businesses in the construction industry is growing rapidly—reaching 71,863 businesses in the year to June 2016, an increase of 2.3 per cent on the previous year. This number represents 17.3 per cent of small businesses in Queensland, the largest share of small

businesses from any sector. When you consider these numbers, it provides yet more evidence that it is critical for the Queensland economy to ensure that these small and sometimes micro businesses are paid for the work they do in full, on time, every time.

Since being elected in 2015, the Palaszczuk government has made Queensland jobs a priority. This is in stark contrast to the previous Newman-Nicholls LNP government, which were only interested in sacking, cutting and selling. The Palaszczuk government recognises that our subcontractors have often had minimal protection against late payment and non-payment, yet when the LNP were in power the current opposition leader, who was the treasurer at the time, and his colleagues still managed to tear away what little rights our subbies had. When the LNP introduced voluntary financial reporting, it left the door wide open for toxic liquidations and phoenixing, whereby shady contractors could transfer the assets of an indebted company to a new entity and avoid paying creditors, tax or employee entitlements.

Essentially, what Campbell Newman, as the premier, and the member for Clayfield, as the treasurer at that time, did was give up on our tradies. They gave up on Queensland small businesses. We on this side of the House will not stand for that. Instead, the Palaszczuk government is committed to creating an environment for Queensland small businesses to start, grow and employ. We are doubling down on this commitment by initiating change in the building industry through the implementation of these legislative reforms. I commend the bill to the House.