




Speech By
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MEMBER FOR BURLEIGH

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MATTER OF PUBLIC INTEREST

JM Kelly Builders

 **Mr HART** (Burleigh—LNP) (2.26 pm): I rise to raise a matter of public importance in relation to the failure of a Central Queensland based company, JM Kelly Builders, and the implication that has for not only the local community but also the Labor government, whose fingerprints are all over this murky saga. This Rockhampton company recently entered voluntary administration with government contracts on foot, leaving major projects incomplete and subcontractors owed significant moneys.

The former building company known as JM Kelly (Project Builders) had previously been placed into liquidation on 20 June 2016, leaving a trail of debt in its wake. JM Kelly Builders then simply took up where the previous company left off. It is particularly worrying that, despite the troubling track record, the questions about the suitability of JM Kelly executives to be involved in the running of this company, the legitimate concerns raised about financial capacity and a lack of transparency regarding its licensing arrangements, guess what? Under this Labor administration, government contracts continued to be handed to JM Kelly Builders.

The recent announcement that the Queensland building industry regulator, the QBCC, will contribute \$300,000 towards a public examination into the collapse of two other construction companies, Cullen Group Australia Pty Ltd and Queensland One Homes, was warmly welcomed last week by the Minister for Housing and Public Works. Funnily enough, this announcement came after Labor announced one day before the last election that it supported an investigation into those companies and a major concern expressed on 6 January this year by the QBCC that, in the wake of the collapse of Cullen Group Australia Pty Ltd, the QBCC was keeping a watchful eye on suspected illegal phoenixing activities. I will table the QBCC's release.

Tabled paper: Media release, dated 6 January 2017, by the Queensland Building and Construction Commission titled 'QBCC to keep eagle eye on suspected illegal phoenixing' [1758](#).

As I said, JM Kelly (Building Projects) changed to JM Kelly Builders. If that is not phoenixing, I am not sure what is. For the benefit of members, I point out that phoenixing is the term used for when a company with a similar name or similar directors emerges from a company that may have been liquidated to avoid paying its debts.

Although the investigation needs to take place, I submit that a much bigger and murkier story needs to be scrutinised fully, and that is the collapse of JM Kelly Builders and why this Labor government did nothing while the company ripped off small subcontractors and suppliers. In fact, in 2016, the government seems to have supported the phoenixing of JM Kelly and allowed 21 contracts that it had with JM Kelly to be transferred to a related company, JM Kelly Builders, via a deed of novation signed by David Sullivan on behalf of the department of education and training. I table an article from last week's *Sunshine Coast Daily* that covers that event really well.

Tabled paper: Bundle of documents relating to builder JM Kelly's dealings with the state government [1759](#).

Members may well ask why the Department of Education allowed this to happen. I decided to do some investigation. Members can imagine my surprise when a reliable source on the ground in Central Queensland informed me that the previous Labor minister, Rob Swarten, had approached the LNP while we were in government saying, 'We have to give JM Kelly some hospital work. They only make money from hospital work.' No luck there, so I kept digging. There are also rumours around Rockhampton that JM Kelly built faults into government projects in order to ensure future work referrals. Surely that cannot be true. Perhaps that needs investigating.

Could it really have something to do with the member for Keppel's mentor, the former minister for housing, Rob Swarten? Surely not, although he is apparently best mates with John Murphy, the group director of JM Kelly. Interestingly, Rob Swarten worked on the member for Cooper's campaign in Ashgrove. The member for Cooper was a media adviser in Rob Swarten's office before entering parliament. She was also the minister for education in 2016. That is a coincidence, is it not? Could that be it?

Of course, let us not forget Rob Swarten is on the board of the Queensland Building and Construction Commission. Is it making sense? But wait, there is more! The new member for Rockhampton was the former regional director in Central Queensland for Housing and Public Works. Another coincidence. Perhaps he could be helpful on the background of JM Kelly, their activities and what he knows about the deed of novation signed by the Department of Education and if he discussed this with the Department of Education before it was signed.

Maybe it has something to do with the member for Keppel, who is now the Assistant Minister for Education. I table a report from last week's paper about the interesting take that the member had on it.

Tabled paper: Article from the Rockhampton *Morning Bulletin*, dated 24 October 2018, titled 'Government not to blame for JMK: Lauga' [1760](#).

I note that the member for Keppel's husband worked for JM Kelly and then he worked for Hutchinson Builders. A lot of members might not know the story there. That did not end well. Oh, what a tangled web they weave when they practise to deceive.

Tabled paper: Document, posted 19 March 2016, titled 'An open letter to Hutchinson Builders' [1761](#).

Tabled paper: Article from *ABC News* online, dated 15 December 2017, titled 'Blogger Petros Khaledirad cleared of charges over alleged stalking of Queensland MP' [1762](#).

Tabled paper: Article from the *Morning Bulletin* online, dated 15 December 2017, titled 'SHOCKER: Lauga's trial reveals house debt blow-out' [1763](#).