




Speech By
Hon. Yvette D'Ath

MEMBER FOR REDCLIFFE

Record of Proceedings, 27 March 2019

MOTION

Citizen's Right of Reply

 **Hon. YM D'ATH** (Redcliffe—ALP) (Leader of the House) (9.35 am), by leave, without notice: I move—

1. That this House notes report No. 183 of the Ethics Committee and the recommendation of the committee that a right of reply be incorporated into the *Record of Proceedings*; and
2. That the House adopt the committee's recommendation and incorporate the right of reply into the *Record of Proceedings*.

Question put—That the motion be agreed to.

Motion agreed to.

Response by Mr Geoff Murphy to statements made in the House by the Member for Burleigh, Mr Michael Hart MP, the Member for Kawana, Mr Jarrod Bleijie MP and the Minister for Housing and Public Works, Hon Mick De Brenni MP on 30 October and 1 November 2018

On 30 October 2018, the Member for Burleigh made a statement relating to actions and conduct of JM Kelly Builders.

I, Geoff Murphy established and was the General Manager of JM Kelly Builders Pty Ltd and JM Kelly (Project Builders) Pty Ltd (JMK PB) until June 2016. JM Kelly Builders Pty Ltd (JMK) was a separate business within the JM Kelly Group, which commenced trading in 1961 and undertook construction work. JMK PB was a separate entity within the JM Kelly Group which also undertook construction work and which commenced trading in 1981. In June 2016 I was the Director and QBCC licensee of both of these companies.

I reject all aspersions or imputations that I have in any way acted illegally or improperly in respect of the allegations made by the Member for Burleigh, the Member for Kawana and the Minister for Housing and Public Works.

The reason JMK went into liquidation is because of the pursuit of John Murphy by the Queensland Building and Construction Commission (QBCC) and the Department of Housing and Public Works' Building and Asset Services (BAS). This arose from a dispute with a Sydney based developer in 2005, relating to the construction of a development at Burleigh Heads.

On advice, I decided to liquidate JMK (Project Builders) Pty Ltd in June 2016. At that time JMK Project Builders was undertaking three contracts. The purported debt relating to the development at Burleigh Heads left the companies with liabilities and having just spent significant costs on legal action I decided to protect the remaining businesses, employees, subcontractors and other contracts being constructed by JMK at that time. All employee entitlements and three remaining contracts held by JMK PB were transferred to JMK. Instead of liquidating employee entitlements and subcontractors and suppliers debts, I took the decision to honour those and JMK paid all debts owing on those three contracts. For any other debts owed by JMK PB, I set out to agree on a schedule of payments for JMK to make to subcontractors and suppliers for any other contracts that had reached practical completion before June 2016.

The liquidated companies referred to were not 'phoenixed'.

In addition, for two years prior to June 2016, JMK PB was being propped up by our other companies, meaning that we were investing our profits back into that business.

Arising out of the JMK PB liquidation in 2016, we encountered subcontractors that asserted they had debts owed to them by JMK PB when in fact they did not. Similarly we had subcontractors that asserted that contracts had been novated when they were not. Most of the subcontractors of JMK PB agreed to a schedule of payments from JMK for those contracts that had been completed in June 2016 and JMK made payments accordingly.

Subsequent to the liquidation of JMK PB some of the subcontractors have met with the Minister for Housing and Public Works and lodged complaints against JMK arising out of the liquidation. The Minister for Housing and Public Works has refused to meet with me.

I handed in my QBCC licence in June 2016 as required by law when I liquidated JMK PB. That meant my son, John Murphy, a QBCC licence holder took over my position. Prior to June 2016 I was the sole decision maker in the JMK Group. At that time, QBCC agreed that John Murphy was not regarded as an excluded individual arising out of the liquidation of JMK PB but QBCC altered its position and issued notices of reasons for proposed cancellation of QBCC licences against John Murphy and JMK. JMK filed review applications in QCAT to have those notices set aside, which allowed JMK to continue operating until a decision was made.

In October 2018 it was ruled that John Murphy was not an excluded individual and set aside the QBCC notices.

In relation to the statement made by the Minister for Housing and Public Works, I believe it could be interpreted that the answer to the Question Without Notice would form the view that JMK had failed to meet the QBCC financial standard. At no time have the JMK companies ever failed a QBCC Minimum Financial Requirement. JMK was able to satisfy the standards required by using personal assets and financial resources to back the company.

I believe that the Minister for Housing and Public Works issued an instruction to the Department not to provide JMK with work and that this was a contributing factor to the liquidation.

I have known Robert Swarten for most of his life. We have been friends. I supported his campaigns but I have never offered him money. I have only ever donated to his campaigns via the Labor party.

I do not consider myself a sole Labor party supporter. I have donated to the Australian Labor party and I have been involved in LNP fundraising activities.

I have never been asked for a favour by Robert Swarten, nor have I offered one. I was not responsible for painting his residence. I was not reimbursed by way of government funding.

With regard to the claim made by the Member for Kawana that preference has been granted to me in awarding contracts, the company received a fair proportion of work but no more than our competitors. I reject this assertion entirely and have never sought to influence the awarding of any contract.