




Speech By  
**Lachlan Millar**

**MEMBER FOR GREGORY**

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Record of Proceedings, 15 July 2020

## **BUILDING INDUSTRY FAIRNESS (SECURITY OF PAYMENT) AND OTHER LEGISLATION AMENDMENT BILL**

 **Mr MILLAR** (Gregory—LNP) (12.55 pm): The building and construction industry plays an important part in Queensland's economy, contributing over \$46 billion in 2017-18 and employing more than 230,000 people. The building industry will be the backbone of the Queensland economy as we go forward from COVID-19. While the introduction of PBAs has been the centrepiece of the government's reform, I note that Master Builders Queensland have indicated that they still hold grave concerns about the effectiveness of the PBA regime and the true cost to the building industry.

One of the things we have to be very careful of when we introduce legislation into this House is what sort of red tape we are imposing on those hardworking small businesses. Those small businesses are family owned small businesses right throughout Queensland, especially in my area in regional Queensland, who rely on a construction industry and also rely on making sure they get paid. They also rely on not having as much red tape as we have seen some industries having to cope with when legislation comes before this place.

It is very hard. Most of the people involved in the construction industry in my seat of Gregory are family owned small businesses that are well established and are continuing to employ people in the seat of Gregory. The administrative burden and the amount of red tape associated with establishing and maintaining trust accounts, records and manager account reviews need simplification. Substantial improvements should be made prior to the private sector implementation. As an initial phase of the PBA is applied only to government contracts, their effectiveness at this point is unproven. Furthermore, the actual cost to the building industry, when the added costs to the principals, the builders and the subcontractors are taken into account, remains unclear.

COVID-19 and what we have been through over the last six months has been extremely damaging to our economy. We need to start building our economy and making sure that we have small businesses, like our construction industry in regional Queensland, not burdened with red tape. We also believe that a fair day's work deserves a fair day's pay. I think everybody in this House is in agreement with that. If subcontractors are not being paid, we need to make sure those people who are not paying are taken to task.

This does not affect just the building industry. I have a couple of cases in the seat of Gregory. A major civil construction company in Longreach is owed hundreds of thousands of dollars for work it has done on roads on the Landsborough Highway. That is affecting this business, and it is one of the major employers in town. It needs to have the confidence to go forward. We need to ensure they are paid by these companies that take on these big projects and then subcontract out to the smaller, well established, family owned businesses. Another family in Emerald has been owed hundreds of thousands of dollars after a solar farm went into administration. They were a construction business undertaking fence building around a solar farm, and when the solar farm went into administration they


were not paid. These are local families who live in local towns who employ local people. Most importantly, they need to have the confidence that they will be paid—the confidence that the big companies that take on these big projects will pay their subcontractors.

The building industry plays an important role all over Queensland. We have heard time after time that when companies go into administration the first people who suffer are our subcontractors. Those subcontractors deserve to have certainty. This has been going on for a long time.

The LNP has a strong history of working side by side with industry to streamline government practices and help generate jobs. When last in office, we pursued reform measures designed to make it easier and more efficient for the industry to conduct business. In anticipation that Labor's Building Industry Fairness (Security of Payment) and Other Legislation Amendment Bill 2017 would require future amendments to be made workable, the LNP called on the implementation panel to assess the merits of the application of Labor's project bank accounts—PBAs. At the time, the government said it was not required, although eventually it was obliged to put it in place.

In 2018 the LNP recognised that subcontractors' late payment and non-payment remained a challenging issue continuing to hamper the growth of Queensland businesses, with non-payment issues, fraudulent practices, false statutory declarations and, most importantly, illegal phoenixing activities which we have seen right around Queensland. Although some elements were examined by the Special Joint Taskforce, it was considered that the terms of reference were too narrow and the time frame too tight for a full investigation to be undertaken.

Sitting suspended from 1.00 pm to 2.00 pm.

 **Mr MILLAR:** Finally, when we introduce legislation we have to make sure that it results in less red tape and is less onerous on small business owners who desperately need a clear direction when it comes to what they are trying to achieve. While I support what we are trying to achieve here, I ask the minister to review this over the next six months to see whether it has an impact on small contractors that have to set up trust accounts and work with additional red tape. It is hard enough being in small business these days with all the red tape. I call on the minister to review this to make sure the red tape is reduced.