




Speech By  
**Shane King**

**MEMBER FOR KURWONGBAH**

---

Record of Proceedings, 15 July 2020

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

 **Mr KING** (Kurwongbah—ALP) (11.54 am): I rise today to make a contribution to the Building Industry Fairness (Security of Payment) and Other Legislation Amendment Bill 2020. I have to comment on the previous speaker. I know that he is keen for things to happen, but we like to get things done properly and that may take some time. I know the member who was speaking previously likes to rush things, and I saw a billboard of him trying to rush the border opening recently. That was a bit of an own goal, so let us just get this right.

**Mr DEPUTY SPEAKER** (Mr McArdle): Stop the clock. Member for Kurwongbah, you are about 30 seconds into your speech and you are way off target. Come back to the bill, please.

**Mr KING:** Thank you for your guidance, Mr Deputy Speaker. The Palaszczuk Labor government does believe in a fair go, and we believe in workers getting paid and paid on time. Over recent decades, the Australian building industry has become increasingly deregulated. This has resulted in inferior and potentially dangerous building products coming to the market with end users often having to pay for mistakes in the supply chain. We have done work around that as well.

Recently, we have seen a growing number of building companies collapse, leaving their workers and subcontractors unpaid. That is why we introduced security of payment legislative reforms in 2017. These reforms included a project bank account requirement that came into effect for government building contracts valued between \$1 million and \$10 million as phase 1. Phase 2 will see the PBA framework roll out across the private sector.

At the end of 2018, further provisions of the legislation commenced relating to progress payments, adjudication of disputes and subcontractors' charges, as well as new penalties for withholding retention payments at the conclusion of contracts without good reason. To evaluate the effectiveness of these new laws, the minister established a Building Industry Fairness Reforms Implementation and Evaluation Panel in May 2018. The panel conducted significant consultation with government and the building industry in its evaluation, and the 20 recommendations in its report have helped inform the bill before us now.

Those recommendations fell under three broad themes: managing industry's transition to implementation of security of payment reforms with a focus on the financial aspect; simplification of the new framework; and improving protections in the contractual chain. As well as implementing the panel's recommendations, other objectives of this bill include implementing the recommendations of the Special Joint Taskforce that investigated subcontractor non-payment in the Queensland building industry; enhancing Queensland's security of payment legislation and further extending protections for industry; improving the QBCC's ability to address fraudulent behaviour; strengthening Queensland's building laws; implementing reforms arising from the Queensland Building Plan to strengthen the certification and inspection process and improve professional standards and compliance in the certification sector;

implementing reforms arising from the *Building confidence* report, such as enhancements to the regulation of architects and registered professional engineers; and ensuring the continuation of external review rights for decisions about transition plans for retirement village schemes.

As the chair of the Transport and Public Works Committee, I can also speak to our consideration of this legislation which was referred to us on 5 February this year. We received 23 submissions and took a lot of evidence from a range of stakeholders over two days of public hearings. We tabled our report on 20 March with 12 recommendations, including that the bill be passed. I would like to take this opportunity to thank my fellow members of the committee, those who made submissions to our inquiry and gave evidence at our hearings, the department of public works and, as always, our hardworking Parliamentary Service staff for all of their contributions to the report.

Around half of our 12 recommendations related to clarifying terms and definitions within the bill, including a review of how proposed exemptions should apply under section 15E and in amendments to the Queensland Building and Construction Commission Act 1991. I will just go briefly through some of the other recommendations. Recommendation 3 was that the bill be amended to include measures to prevent the use of multiple contracts on the same or adjacent land in relation to small-scale residential construction work. Recommendation 6 was that clause 63 be amended to ensure the account nominated by the subcontractor is under the control of the subcontractor. Recommendation 7 was that the bill be amended to ensure that all relevant contractors are protected by the trust regime. Recommendation 8 seeks a reconsideration of the need for section 55B(6) of the bill relating to reports, records and information. Should it be considered necessary, the committee believes that may be better aligned with subdivision 2 dealing with special investigators.

In relation to recommendation 11, the minister considered undertaking a review of the role of property developers in the building and construction industry including consideration of the impact of their financial and operational capacity, ethical behaviour and work practices. Our final recommendation extends on this to suggest that such a review be conducted in consultation with all industry stakeholders and, finally, that the minister should report the findings in a timely manner. Obviously COVID-19 has affected us all and time lines may change. I am really pleased that the minister agreed to all those recommendations and No. 12 in principle. I thank him for that.

I want to acknowledge here that both government and opposition members on the committee were in strong agreement that more should be done to make sure workers, in particular subcontractors, in the building and construction industry get paid. However, I was a little surprised and disappointed to note in the statement of reservations by the opposition members they bemoaned the committee made no recommendation about training and development. I am surprised that opposition committee members signed off on this statement considering our committee sought additional information from the department in relation to how adequate education and training would be provided to the building and construction industry throughout Queensland on the proposed changes in the bill. This is captured in the report in section 2.10.8, 'General education and training'. The department also gave a fulsome reply on just what training and communication activities they would be providing upon passage and implementation of the bill. As a result of this information, no recommendation was required. I am surprised that opposition committee members did not remember this at the time.

Like the considered decisions we have taken in dealing with the COVID-19 crisis, our government has first considered and then acted on advice from experts in progressing our security of payment reforms—reforms that will continue to bring about the cultural change that we, the Palaszczuk Labor government, began years ago. It is essential that we support Queensland's building and construction industry, which contributes close to \$50 billion and employs around a quarter of a million people across our state. This bill builds on our security of payment laws and will further ensure that workers, including subcontractors, will get paid.

As an electrician by trade, I have always worked closely with subbies and I know how stressful and uncertain their employment can be. Too often stress can manifest in mental health issues, and we know where that can lead. In this worrying new COVID-19 world we live in, it is important that we in government eliminate as many outside stressors as we can for workers and their families because, as I said, all workers deserve a fair go and that means being paid on time. We are not just talking the talk; we are walking the walk, and we fully expect big business, including those in the building and construction industry, to do the same. That is what this legislation is about and that is why I am proud to commend this bill to the parliament.