




Speech By
Joan Pease

MEMBER FOR LYTTON

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BUILDING AND OTHER LEGISLATION AMENDMENT BILL

 **Ms PEASE** (Lytton—ALP) (12.04 pm): The Queensland government is committed to providing a safer, fairer and more sustainable building and construction industry. That is why I am standing today to talk to the Building and Other Legislation Amendment Bill 2022. Like anything, this starts with strong foundations. This bill seeks to build on the government's record and further enhance the regulatory framework for Queensland's building industry. It will cement Queensland's nation-building position in terms of efficiency and transparency. For example, amendments to the Building Industry Fairness (Security of Payment) Act 2017, Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2020 and the Queensland Building and Construction Commission Act 1991 will clarify licensing requirements for head contractors who seek to procure commercial building work.

Three amendments operate together to provide this clarification. The first continues the existing licensing exemption. This means that, provided licensed contractors are used, a person can still contract to procure commercial building work as part of a broader contract without needing a licence themselves. For example, a civil contractor undertaking roadworks can still agree to procure the construction of buildings without needing a licence, an electrical contractor can still agree to procure any necessary building work to install air-conditioning without needing a licence and a landlord can still enter into agreements for a lease without needing a licence. These are just three examples.

The exemption facilitates commercial contracting in Queensland. It is in place now and will remain so under the bill. However, two key amendments in the bill address industry's concerns that the exemption can be misused to subvert security of payment and building quality and safety. Firstly, the bill creates a regulation-making power to require the establishment of a retention trust in additional circumstances. This mirrors existing provisions that allow a regulation to prescribe additional circumstances in which a project trust is required. This recognises the range and complexity of commercial contracting while remaining true to the intent of the building industry fairness legislation. It seeks to ensure that the bulk of subcontractors, who are usually subcontractors to a builder, are protected by a trust account regardless of the commercial relationships that exist between the builder and the ultimate client.

Secondly, the bill creates a regulation-making power to displace the exemption in particular circumstances. This would obviously be reserved for situations where there is a clear critical need for the head contractor to hold a licence before offering to procure building work. Specifically, industry suggests that the presence of unlicensed head contractors can mean that industry is less protected from the impacts of company collapse, as no minimum financial requirements apply and downward pressure is placed on building quality and safety.

As we move through the post-COVID recovery we need to be keenly aware of these risks and we need government to be able to respond effectively. The dynamic and complex nature of the building and construction industry also means that the flexibility and agility of a regulation is needed. Any proposed regulation amendments will of course be subject to the usual regulatory impact assessment requirements. This will allow all stakeholders to articulate any potential issues or unintended consequences and ensure the prescribed circumstances are fit for purpose.

I take a moment to acknowledge the great work of the committee. I know that the member for Kurwongbah is regarded very highly for his great leadership as chair. I acknowledge him and all of his great work and, again, acknowledge the great work of the secretariat. Ultimately, the amendment seeks to retain the benefits of the head contractor licensing exemption while also providing government with the flexibility to respond to emerging security-of-payment and safety issues.

While I am on my feet, during the debate of the Public Health and Other Legislation (Extension of Expiring Provisions) Amendment Bill on 31 March 2022, I made a statement that the member for Hill claimed that no-one had died from COVID—it was due to an underlying health issue—and that he alleged that all governments were corrupted by large pharmaceutical companies. I made this statement on my understanding of what the member for Hill had said previously in a variety of speeches. On reflection, I wish to correct the record and withdraw my statement on 31 March 2022 and apologise unreservedly to the House and to the member for Hill. I support the bill.