

~~LNP, 55—Barton, Bates, Bennett, Berry, Blojic, Boothman, Cavallucci, Costigan, Cox, Crandon, Cripps, Davies, T Davis, Dempsey, Dowling, Elmes, Emerson, France, Frecklington, Gibson, Grant, Grimwade, Gully, Hart, Hathaway, Hobbs, Holswich, Kaye, Kempton, Latter, Maddern, Malone, Mander, McVeigh, Menkens, Minnikin, Molhoek, Ostapovitch, Powell, Pucci, Rickuss, Robinson, Seene, Shorten, Shuttleworth, Smith, Sorensen, Springborg, Stevens, Stuckey, Symes, Trout, Watts, Woodforth, Young.~~

~~INDEPENDENTS, 1—Cunningham.~~

~~NOES, 11:~~

~~ALP, 8—Byrne, D'Ath, Lynham, Miller, Palaszczuk, Pitt, Scott, Trad.~~

~~INDEPENDENTS, 3—Douglas, Judge, Wellington.~~

~~Resolved in the affirmative.~~

~~Clauses 41 to 58, as amended, agreed to.~~

~~Clauses 59 to 68—~~

~~Mr MANDER (6.32 pm): I seek leave to move an amendment en bloc.~~

~~Leave granted.~~

~~Mr MANDER: I move the following amendment—~~

~~7 Clause 63 (Amendment of s 86 (Reviewable decisions))~~

~~Page 59, after line 9—~~

~~insert—~~

~~(3) Further, a decision of the commissioner relating to the accumulation of demerit points by a pool safety inspector under the *Building Act 1975* is a **reviewable decision**.~~

~~Amendment agreed to.~~

~~Clauses 59 to 68, as amended, agreed to.~~

~~Schedule 1—~~

~~Mr MANDER (6.32 pm): I move the following amendment—~~

~~8 Schedule 1 (Minor and consequential amendments)~~

~~Page 78, amendment 16, table after line 5, entries for section 246CZ, heading and section 246CZ(1)—~~

~~omit.~~

~~Amendment agreed to.~~

~~Schedule 1, as amended, agreed to.~~

### ~~Third Reading~~

~~Hon. TL MANDER (Everton—LNP) (Minister for Housing and Public Works) (6.33 pm): I move—~~

~~That the bill, as amended, be now read a third time.~~

~~Question put—That the bill, as amended, be now read a third time.~~

~~Motion agreed to.~~

~~Bill read a third time.~~

### ~~Long Title~~

~~Hon. TL MANDER (Everton—LNP) (Minister for Housing and Public Works) (6.33 pm): I move—~~

~~That the long title of the bill be agreed to.~~

~~Question put—That the long title of the bill be agreed to.~~

~~Motion agreed to.~~

~~Sitting suspended from 6.34 pm to 7.35 pm.~~

## QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION AND OTHER LEGISLATION AMENDMENT BILL

Resumed from 7 August (see p. 2555).

## Second Reading



**Hon. TL MANDER** (Everton—LNP) (Minister for Housing and Public Works) (7.35 pm): I move—

That the bill be now read a second time.

In opening, I thank the Transport, Housing and Local Government Committee for its consideration of the Queensland Building and Construction Commission and Other Legislation Amendment Bill and for their deliberation of, and report on, the bill which was tabled on 8 October 2014. I am now pleased to table the government's response to the committee's Report No. 54.

*Tabled paper:* Transport, Housing and Local Government Committee: Report No. 54—Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014, government response.

To develop this bill stakeholders for the building, construction and housing industry as well as the general community have been extensively consulted. This bill is a reflection of the ideas and suggestions of many Queenslanders who care about the future of our building, construction and housing industries. We are committed to growing the construction industry as one of the four pillars of the Queensland economy. The bill being debated today is another step towards meeting this commitment.

The industry injects around \$60 billion into our economy and employs approximately 250,000 Queenslanders. The amendments are intended to reduce red tape and create fair regulation so that the industry has the best possible platform for this growth. The bill we are debating today will build on previous reforms and implement the third stage of the government's 10-point action plan to reform the building industry. It also addresses some miscellaneous amendments to enable the Queensland Building and Construction Commission, the QBCC, to be more effective.

The proposed amendments in this bill are as follows: firstly, the amendments will update the Queensland Home Warranty Scheme so that there is greater protection for consumers. Consumers will have the choice of purchasing greater coverage as well as the ability to purchase insurance for pools and manufactured homes. The amendments will also provide better clarity for consumers when purchasing insurance so that Queenslanders are more aware of what insurance they are purchasing.

Secondly, the bill includes various reforms to improve Queensland's domestic building dispute process. Examples include the proposed introduction of a free mandatory mediation process with QBCC. This will enable disputes to be resolved more quickly, potentially saving consumers and licensees time and money. Previously all disputes had to go to QCAT, which could be lengthy and most costly. An early dispute resolution process has been successfully piloted at the QBCC. From 1 July 2014 to 10 October of the same year the pilot has successfully resolved 198 disputes well within the 28-daytime frame. If this mediation is not successful and the matter is referred to QCAT, then the QBCC can rectify the defective work as an insurance claim. Previously consumers would need to wait for the dispute to be resolved by QCAT before the insurance could be accessed.

Thirdly, the proposed changes also introduce a schedule in the Queensland Building and Construction Commission Act 1991, the QBCC Act, to simplify building contracts and provide greater flexibility for consumers and contractors. An example includes the introduction of a level 1 contract for domestic building projects which are proposed to be valued from \$3,300 to \$20,000 and a level 2 contract for domestic building work valued at over \$20,000.

Fourthly, a new free, faster and more consistent process will be introduced under which the QBCC will deal with all building disciplinary proceedings. This process is similar to those currently used for plumbers, electricians, drainers and pool safety inspectors. Building disciplinary matters are currently dealt with by QCAT, which again can be lengthy and costly for licensees. Licensees will be able to apply for an internal review of any disciplinary findings or have them reviewed by QCAT.

This bill will also enable us to get tougher on builders doing the wrong thing and will enable heavy penalties to be applied. To improve compliance the current demerit point system will be strengthened. Demerit points will be increased to encourage licensees to do the right thing. It will also enable the QBCC to remove recalcitrant licensees from the industry.

The commission often receives complaints from subcontractors in relation to head contractors not paying in accordance with the contract or using commercial leverage to force subcontractors to accept lower amounts than originally agreed to. We need to protect subcontractors so that they are

paid for the work that they do. The bill extends the grounds for disciplinary action to include the failure of a contractor to pay a subcontractor in accordance with the contract. It should be noted that these amendments also provide for such disciplinary proceedings to be reviewable in QCAT.

The amendments will also provide greater protection for homeowners impacted by works being done on an adjacent property. Contractors will be liable to remedy damage to a neighbouring property, not just any damage incurred on the site they are working on.

The amendment will allow the QBCC to obtain the evidence and information it needs about unlicensed contracting and other serious offences. This includes gathering evidence regarding builders who breach their financial requirements or phoenix operators working behind other licensed building companies. The bill will also reduce red tape so that the licensing system becomes more efficient. For example, licences will be able to be reviewed every three years instead of every year, with savings passed on to licensees.

The second purpose of this bill is to propose amendments to the Housing Act 2003 and the Residential Tenancies and Rooming Accommodation Act 2008. All of the amendments that I will outline tonight, whether they relate to the QBCC or community housing, are about enabling others to do what they do best. While we outlined the reasons for needing to enable the QBCC to do its job, we also need to empower community housing organisations to do theirs. In turn, this will allow the government to focus on the regulatory needs of the sector rather than on managing public housing tenancies.

These amendments will facilitate the government to continue to implement the Housing 2020 strategy and, as part of this strategy, transfer the management of 90 per cent of public housing to the community housing sector by 2020. The proposed amendments will also allow the department to transfer key tenancy information to housing providers so that they can effectively manage the tenancies.

The proposed changes will also provide rigour around decision-making delegations and client obligations. For example, some amendments to the Housing Act include giving housing providers access to key tenancy information as tenancy managers. This includes information on the state housing register and the department's property and tenancy management databases. It will give the chief executive the ability to delegate functions to the community housing provider and their staff and it will allow providers to update and maintain housing register records. In terms of the Residential Tenancies and Rooming Accommodation Act, the proposed amendments change the mechanism by which providers become the lessor of existing public housing tenancies. Tenants will not need to re-sign a new tenancy agreement.

I now turn to the committee's recommendations in relation to this bill. In total, the committee has made 16 recommendations and sought clarification on two points. Recommendation 1 states that the bill be passed. I thank the committee for its endorsement of the bill. Recommendation 2 seeks to retain existing provisions for stage certificates until the building act review of certification is completed. This recommendation has been accepted by the government. We expect the review to be completed by the end of this year.

Recommendation 3 is to move provisions related to staged progress payments from the act to the regulation. Currently the act states when contractors should be paid as part of stage contracts. The government does not support this recommendation. By removing the staged progress payments provisions from the act it will provide consumers and builders with greater flexibility as to when works will be paid for. Recommendation 4 is to review the deposit maximums proposed in the bill to ensure they are suitable, given that the current five per cent maximum has been in place since 2000. The government has agreed to the committee's recommendation, and a review will be undertaken by the QBCC as early as possible next year.

Recommendation 5 is to amend the bill to ensure that builders whose work is predominantly carried out off-site, such as builders of sheds and prefabricated structures, are able to seek and receive progress payments beyond the 20 per cent deposit allowed for in the bill. The government does not support this amendment as it is considered that the bill currently represents a fair balance between the interests of contractors and consumers. It should be noted that any increase in the deposit amount could present an increased risk for consumers. The consumer may be paying for work they are unable to inspect or control or take possession of in the event of the insolvency of a contractor.

Recommendation 6 is to enable a domestic building contract to be entered into when the builder is not able to release foundations data but guarantees in the contract that there will be no price increases when the foundations data is subsequently obtained. Foundations data includes such things as ground conditions and other elements of the site which may not be known until site preparatory works commence. Given that consumers will be better protected as there will be no price increase when the foundations data becomes available, the government agrees to this recommendation. It is proposed that the bill be amended accordingly.

Recommendation 7 is that the bill be amended so that any request for an extension of time under a regulated contract must be in writing as opposed to by signing. This amendment comes after receiving feedback from the industry including the Housing Industry Association and Master Builders. They raised concerns about the potential for delays. The bill is being amended to allow consumers to approve a time extension claimed by email rather than by signing. I am also proposing that the bill be amended so that the obligation on the builder to notify the consumer within 10 business days of becoming aware of a delay applies when the builder becomes aware of the cause and extent of a delay.

Recommendations 8 and 9 amend the definitions of 'practical completion' for both level 1 and level 2 domestic building contracts. We propose to simplify the definition of 'practical completion' so that there is a consistent definition of 'practical completion' for both level 1 and level 2 contracts.

Recommendation 10 is that the bill be amended to reduce the statutory warranty period for non-structural defects from two years to one year. Submitters raised concerns that the two-year warranty period would likely impact on housing affordability as it would potentially drive up house prices. The government has accepted this recommendation, which aligns with the Queensland Building and Construction Commission's Rectification of Building Work Policy, on the basis that it will provide adequate consumer protection. I propose that the bill be amended accordingly.

Recommendation 11 is that building owners must give builders access to work sites so they can rectify any alleged defects. The government acknowledges the importance of balancing the rights of contractors and consumers, and I propose to make this amendment to the bill. Recommendation 12, like recommendation 7, aims to improve domestic building contracts to explicitly incorporate electronic communication in the definition of 'in writing'. This relates to agreeing variations in writing. This has been agreed and I propose to amend the bill accordingly.

Recommendation 13 is to amend what constitutes an invalid contract. Currently, even a minor aspect of a contract that has been inadvertently omitted could make a contract null and void. The government agrees that the bill should be amended to provide that the contract has effect if it is written, dated and signed by both parties.


Recommendation 14 is that the bill should explicitly state which part of the manufactured or prefabricated homes process will be covered by the statutory insurance scheme and which parts will not. The government considers this to be unnecessary because a new section to be introduced by the bill adequately states which part of the process will not be covered by the statutory insurance scheme. I consider that the best approach is to monitor the situation. If, following consultation with consumers and contractors, it is decided that further clarification is required, this will be best addressed by an amendment to the Queensland Building and Construction Commission Regulation 2003.

Recommendation 15 seeks to amend the bill to include variation thresholds for insurance premiums. The government agrees with the recommendation and I propose that the bill be amended. This proposed amendment means that an additional insurance premium is required to be paid where a variation results in an increase to the value of construction work of \$5,000 or more. In recommendation 16 the committee recommends that licensing and other issues raised by the Civil Contractors Federation be considered as part of the planned review next year. This review related to licensing provisions in the QBCC Act and the QBCC Regulation. The government agrees with this recommendation. I also propose to introduce other amendments to the bill in addition to those which have stemmed from the committee's recommendations. These include introducing a definition of 'repair' and 'repair contract'. They also include improving the provisions relating to the inclusion of the contract price or method for calculating it in the contract as well as minor amendments to the housing related provisions to clarify circumstances in which providers can use confidential information.

In addition to the recommendations in this report, the committee also sought clarification on two matters included in the bill. The first of these relates to the circumstances in which an owner is able to

dispute a matter after it has been resolved. Currently, it is possible for the QBCC to issue a direction to rectify in relation to work which has been the subject of a previous cash settlement between the builder and an owner, as the QBCC is not bound by such agreements. If a contractor has performed defective building work, the QBCC can require the rectification of that work in order to maintain standards in the industry, regardless of whether any cash settlement may have occurred. The QBCC considers that there would be no benefit to consumers or contractors if incompetent contractors could simply settle their way out of these matters. It is also sometimes the case that consumers may enter into unfair terms of settlement due to a lack of experience or because they do not have the funds to continue a legal dispute with the contractor. The removal of the power to issue a direction to rectify in such circumstances would leave consumers without assistance. It should be noted that the QBCC is not required to issue a direction to rectify where it is considered unfair to do so. It should also be noted that the contractor retains the right to have the decision reviewed if they are of the view that the direction to rectify is unreasonable.

The second point of clarification sought by the committee relates to the practical implications for the builders and the owner of any damaged adjacent site where the QBCC has given a direction to rectify consequential damage. As noted previously, issuing a direction to rectify is not done solely for the purpose of ensuring that a consumer has defective work rectified. Directions are also issued to maintain standards in the industry and to prevent future problems with a contractor. The government considers that if a contractor knows that they will be held responsible for consequential damage to an adjacent property they are more likely to take steps to ensure that that damage does not occur in the first place. This is considered to be preferable to having the work fixed under a contractor's insurance policy. The purpose of many of the changes proposed in this bill is to keep consumers out of conflict with contractors and out of the tribunals and courts and it is considered that placing them in conflict with a contractor's insurance company would simply replace one problem with another. It would be unfair to expect an owner of an adjoining property to fight an insurance company through the courts because a contractor engaged by their neighbours did defective building work. I commend the bill to the House.

 **Mr BYRNE** (Rockhampton—ALP) (7.53 pm): I rise to make a contribution to debate on the Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014. The bill has two separate and distinct components. It makes amendments to the Housing Act 2003 and the Residential Tenancies and Rooming Accommodation Act 2008 in order to allow the government to implement its Housing 2020 Strategy by transferring the management of 90 per cent of social housing in Queensland to the community housing sector by 2020. It also makes amendments to the Queensland Building and Construction Commission Act 1991 in order to implement what should be the final tranche of the government's legislative changes to the construction industry.

I firstly turn to the aspects of the bill which amend the Housing Act 2003 and the Residential Tenancies and Rooming Accommodation Act 2008 to implement the LNP government's Housing 2020 plan. These amendments will provide the mechanisms to allow the LNP government to transition 90 per cent of social housing in Queensland from the management of the state to the community housing sector by 2020. While the opposition, as indicated by the member for Bundamba previously in this place, does not support the bulk transfer of department of housing properties en masse to the not-for-profit sector, we do agree that the not-for-profit sector has a role to play and believe that, if done correctly, properties can be gradually transferred over time to the not-for-profit sector. Therefore, the opposition will not be opposing these amendments. However, there are still many unanswered questions about these arrangements. In particular, the Labor opposition wants to know what will happen to the current staff of the department of housing centres. This is an issue that has not been adequately addressed by the minister or his department for some time after first being raised by the opposition in the 2013 estimates hearings.

We do not believe that those opposite have done their homework. We do not believe that they have established the appropriate ground rules and safeguards to ensure that the housing stock is properly transferred to the appropriate provider. This appears to be yet another assault on the social housing sector in this state. On top of the government's proposal to outsource 90 per cent of the public housing and community housing sector to the community housing sector, the LNP has previously introduced a temporary absence policy and increased the weekly rents of public housing tenants. As an aside, the opposition has heard stories of public housing tenants' weekly rent going up by more than the \$7.50 cap that the minister stated would be enforced, so it is no wonder that there is some anxiety and uncertainty within the Queensland public housing community regarding the

government's 90 per cent transfer scheme. The opposition does not support the bulk transfer of public housing stock to the community sector. We will not be opposing the amendments before the House because they provide a basis to assist the transition of public housing to the community sector. We are not against this approach. We just believe that it should be undertaken in a methodical, gradual manner and that the government's target of 90 per cent is much too high. The opposition will have more to say about these amendments through the contribution of the member for Redcliffe and shadow minister for housing later during the debate of this legislation.

I now turn to the amendments that the bill makes to the construction industry legislation. There are some proposals that have prompted concerns from the industry and the parliamentary committee, and I will primarily address those issues. The bill repeals the Domestic Building Contracts Act 2000 and introduces a new part, schedule 1B, into the Queensland Building and Construction Commission Act 1991 which details the minimum requirements to be included in domestic building contracts. The bill also introduces the concept of level 1 contracts and level 2 contracts. A level 1 contract is for building work valued at between \$3,300 and \$20,000. A level 2 contract is for building work valued at over \$20,000. Most of the concerns raised in submissions and in the committee recommendations relate to the requirements to be imposed under this new schedule. I will now address some of those issues in turn. Firstly, under a level 2 contract, a contractor may not claim payment for any stage of work unless it has been inspected and certified by an inspector. Concerns were raised by industry that common project and payment milestones were often quite different to inspection milestones and there can be a delay in certification. These practical issues make this requirement a difficult one for industry to deal with. The committee recommended that the government retain existing provisions concerning the provision of stage certificates in the QBCC Act until the outcomes of the Domestic Building Contracts Act 2000 review, which is currently underway, can be determined. I am not sure if the minister said earlier that he was embracing those, so therefore I am not sure whether they have been accepted by the minister. I ask him to again reinforce the position of the government on that issue.

In relation to progress payments for building work, a builder will not be able to claim an amount that is not directly related to the progress of and is not proportionate to the value of work.

Under these amendments, the minister may make a regulation to prescribe when an amount is proportionate to the value of the subject work. However, there is no immediate intention to make such a regulation. Currently, section 66 of the act prescribes progress payments for designated stages of contracts. The committee has recommended that those provisions be replicated in a regulation. However, it does not appear that that recommendation has been accepted.

The bill caps deposits for building work at 10 per cent of the price of a level 1 contract and at five per cent of the price of a level 2 contract. There are other allowances for a contract where most of the work is undertaken off site. In its submission, the Master Builders Association requested a 7.5 per cent cap for level 2 contracts. So, clearly, there is some difference of opinion about the appropriate level of capped deposit. The committee has recommended that the minister review the continuing appropriateness of the level of the caps and I support that recommendation.

Under the bill, progress payments cannot be claimed for work that is undertaken off site. That will prohibit companies that complete much of their work off site—for example, prefabricated buildings—from claiming progress payments throughout the project. The committee has recommended that the bill be amended to remove this prohibition. Apparently, the government has not accepted this recommendation.

Under the new legislation, before entering into the contract a building contractor must obtain the foundations data that is appropriate for the building site and it attaches a maximum penalty of 100 penalty units, the same penalty that existed in the previous act. The industry believes that foundation data is essential before work starts, but not necessarily before entering into a contract. The committee recommended that the minister consider amendments to enable a domestic building contract to be entered into where the builder is not able to obtain foundations data but guarantees in the contract that there will be no price increase when the foundations data is subsequently obtained. I note that the government has accepted this recommendation and the bill will be amended accordingly.

The new schedule also provides that a building contractor under a regulated contract may claim for an extension of time under the contract only if the claim is given to the building owner in writing and within 10 business days of the building contractor becoming aware of the delay or when the building contractor reasonably ought to have become aware of the delay and if the owner

approves the claim by signing the claim. The industry has criticised this provision as being onerous, arguing that the extent of the delay may not be fully realised for a period of time beyond when the contractor first became aware of the delay. The department has indicated that consideration will be given to amending this provision so that the obligation falls on the builder to notify the consumer within 10 business days of becoming aware of the cause and extent of the delay. The committee supported this proposal and I am pleased that it has been accepted and included in the circulated amendments.

The new schedule contains definitions for the practical completion of work. Concerns with the proposed definition included that, for level 2 contracts, the definition of 'practical completion' contemplates that practical completion has been reached only when all certificates of inspection have been received. For level 1 regulated contracts, practical completion could require the subject work to be completed without minor defects or omissions. For level 2 regulated contracts, the definition of 'practical completion' requires that there are no minor defects or omissions unless it was not practicable to fix them. The committee recommended that the minister amend the definition of 'practical completion' for both level 1 and 2 regulated contracts in the schedule 1B dictionary to include minor defects and omissions in the case of level 1 regulated contracts and to remove references to 'not practicable at the time of completion' for level 2 contracts. I note that the minister has accepted this recommendation and will amend the bill.

The new schedule proposed warranty periods for regulated contracts of six years for a breach that results in a structural defect, as prescribed by regulation, or 2 years in any other case. That would extend the defects liability period for minor defects to two years from the current six months. The industry opposes this extension and the committee suggests an extension of one year rather than two. The government has accepted the recommendation and the bill will be amended accordingly.

A new defence to warranty claims is also introduced, allowing for the defendant to prove that the deficiencies arise from instructions given by the person for whom the work was done contrary to the written advice of the person who did the work. The industry supports this provision, which is modelled on the New South Wales provision, but also requests the inclusion of another New South Wales provision allowing for an additional defence that establishes a duty for the building owner to provide reasonable access to the building contractor to rectify an alleged defect. The committee supported this request in its recommendations and, again, the government has accepted this suggestion. The committee also recommended that the minister amend proposed provisions to explicitly incorporate electronic communication into the definition of 'in writing' for the purpose of agreeing to variations in writing. This recommendation has been accepted and an amendment to reflect the new position has been circulated.

In the proposed schedule, if a level 1 or 2 contract does not comply with strict form requirements that are spelled out, the contract has no effect. The committee recommended that the minister amends the bill to provide that contracts are not deemed invalid for failure to comply with all requirements of those respective sections. Again, this recommendation has been accepted.

The bill also expands the Queensland Home Warranty Scheme to include new swimming pool construction and manufactured homes as well as introducing optional additional cover, clarifying the provisions of the scheme to reduce uncertainty and to assist with the management of claims. Some concerns were raised regarding the clarity of those sections and what will now be covered by the scheme. The committee has recommended that the minister amend the bill to state explicitly which parts of the manufactured prefabricated homes process will be covered by the statutory insurance scheme and which parts of the process will not.

Under the new legislation, the QBCC will still be able to order rectification work or grant statutory insurance claims where the matter has been brought before QCAT. That is because delays in the resolution of reviews in QCAT have resulted in defective or incomplete work being not addressed for long periods. The new law does not stop the contractor or consumer from exercising their rights in QCAT. If the commission decides that work should be rectified under the insurance scheme, the contractor is still able to dispute that the work is defective or incomplete or that the repair work proposed is excessive. The contractor's review rights are preserved.

We do not oppose the changes made to the construction industry by this bill. However, I want to make some comments about the large number of recommendations in the committee's report. From the volume and tenor of the submissions made to the committee, it is evident that there was a

great deal of concern in the industry about the initial bill that was put forward by the government. To its credit, the committee has worked diligently, taken those concerns on board and has made a large number of recommendations about ways to improve this bill. Frankly, I would expect nothing less from the member for Warrego, who I see is present in the chamber this evening. He has brought so many fine qualities to his role as the committee chair. At the start of this parliament I had the privilege of being a member of that committee for a short period. I wish him well in his retirement. It was a great pleasure to be a member of his committee. He is a gentlemanly pragmatic man.


The government says that it has been consulting and listening to the industry in the formulation of this legislation. If that had been the case, why has it been left to the committee—and the hard work of the committee—to give voice to the concerns that have been brought to its attention. Why did the government not consult and listen before the legislation was drafted? I will read a section of the explanatory notes, which is illuminating—

Consultation on the content of the Bill was undertaken with the Department of the Premier and Cabinet, Queensland Treasury and Trade, Department of Justice and Attorney-General and the Office of the Queensland Parliamentary Counsel.

That means that there was no external consultation on the content of the bill in its final form. The government falls back on the response that it had already consulted the industry through the Transport, Housing and Local Government Committee's inquiry into the BSA and the KPMG report which informed the government's response. The committee delivered the BSA report in November 2012 and the government finalised its response in early 2013. While industry stakeholders might have been able to express a view about the issues and operation of the BSA generally through that process, until specific proposals for legislative change were drafted and circulated for feedback it was difficult for them to give detailed comments. This is just another example of the minister assuming too much and failing to consult the industry properly.

Recently there were serious issues with the Building and Construction Industry Payments Amendment Bill 2014. The opposition said during the debate on that bill that it was obvious that the consultation by the minister and his department had not been adequate. The consultation task had basically been outsourced to the Transport, Housing and Local Government Committee which had to make 18 recommendations in order to try to rectify the substantive issues with that bill. The Transport, Housing and Local Government Committee has had to make 16 recommendations in order to address the problems with the Queensland Building and Construction Commission and Other Legislation Amendment Bill. What is it about this government? If the government thinks it can just consult the industry once at the start of a term of government and then not bother to engage again over the next three years that is a mistake.

The opposition supports the bill and the amendments that have been circulated by the minister. I am pleased that some of those committee recommendations have been accepted because they are sensible recommendations. I honestly commend all members of that committee, in particular the chair as I said before, for dealing with what are complex issues and formulating very sensible pragmatic recommendations that I think strike a reasonable balance. It is certainly the committee's role to make small improvements to legislation where it is deficient, but I do not believe it is the committee's job to have to make so many recommendations that involve what are quite substantial issues within a bill. Those issues should have been resolved before the bill hitting the floor of the parliament by working with industry on perhaps an exposure draft of the legislation. As I mentioned at the outset, the member for Redcliffe will make additional comments regarding the proposed housing legislation amendments that are included in the bill. I look forward to the minister addressing some of the points that I have raised during my speech.

 **Mr HOBBS** (Warrego—LNP) (8.12 pm): I am pleased tonight to talk to the Queensland Building and Construction Commission and Other Legislation Amendment Bill before the House. First of all I thank the members of my committee for being very diligent and forthright. We look at all of the aspects of many pieces of legislation that come before us. This is report No. 54 which shows that there has been plenty of work done. I also want to thank the minister and the shadow minister, the member for Rockhampton, for their comments about myself and the committee. The minister has accepted all but three of the 16 recommendations and in relation to those three there have been part approvals in a lot of ways. I think that goes to show that there can be good work done by this process. It is our intention to do the very best we can to improve legislation to move this state forward and have the best mechanisms that we can have to make things better for all Queenslanders.



The committee notes that this bill represents the third stage in the government's implementation of its 10-point action plan, the government's response to the recommendations contained in this committee's report No. 14, *Inquiry into the operation and performance of the Queensland Building Services Authority 2012*, tabled in November 2012. In addition to a range of other amendments, this bill proposes amendments to the licensing system, introduces an improved demerit point system, expands the Queensland Home Warranty Scheme, introduces an early dispute intervention process and introduces a two-tier contract system. We are pleased that numerous recommendations made in our earlier QBSA report have already been implemented through stages 1 and 2. It is satisfying that we are seeing before our eyes the improvements that have been made by this parliament in this term. This bill proposes amendments which will further implement the recommendations stemming from the QBSA report. On behalf of the committee I thank those individuals and organisations who lodged written submissions on this bill and others who have informed the committee's deliberations: the committee secretariat, officials from the Department of Housing and Public Works and the Technical Scrutiny of Legislation secretariat which does a power of work.

The most important recommendation that we made was that we supported the general objectives of the bill and recommended that the bill be passed. I will move on to a few other sections that I will cover as briefly as I can as they are very detailed. In relation to stage inspection certificates, clause 60 proposes to insert a new schedule stating that a contract must contain a provision that states the contractor may not claim payment for the completion of any stated stage of the subject work unless the contractor has given the owner all certificates of inspection relevant for the stage. There are some changes to be made here. The committee delved into it. We asked the department what it thought. The department stated—

It is acknowledged that there is currently a review being undertaken of the Building Act (Domestic Building Contracts Act 2000) and the certification regime. It is proposed that the existing provisions concerning the provision of certificates be maintained and be considered following the outcomes of the Building Act and certification review...Consideration will be given to reinstating the current position under s39 of the DBC Act.

The department went on with a bit more detail that people can read in the report if they wish. The committee was concerned that there may be unforeseen consequences stemming from the proposed amendments to mandate stage certificates prior to progress payments. In response to issues raised in submissions—and the committee looks at the submissions that come in and goes into them in detail to see what the issues are—the department has proposed to retain existing provisions concerning the requirement for stage certification pending the outcomes of the Domestic Building Contracts Act 2000 review and the committee supports this proposed amendment to the bill. Our recommendation was that the minister amend the bill to retain existing provisions concerning the provision of stage certificates in the QBCC Act until the outcomes of the Domestic Building Contracts Act 2000 review can be determined. The minister has accepted that recommendation. That is a very good.

Regulation to prescribe progress payments is an important aspect of the building industry. There is a proposed new section in the bill that provides that a regulation may prescribe when an amount is proportionate to the value of subject work under a regulated contract. It is a bit confusing. The committee looked at this and noted the department's advice regarding the rationale for removing prescribed progress payments for designated stages contracts. However, the committee believes that prescribing the stages of payments may afford some protection for consumers and therefore has concerns about the possible implications of the removal of these prescribed payments from the act. Further, the committee is not aware of evidence that the existing provisions, which prescribe staged progress payments, have caused undue issues or difficulties and therefore is not convinced that the current approach is problematic. Therefore, the committee is recommending that the prescribed progress payments for designated stages contracts be retained but encapsulated in subordinate legislation.

The committee recommended that the minister ensure that the provisions relating to staged progress payments for designated stages contracts, which this bill proposes be removed from the QBCC Act, be transferred to subordinate legislation under a proposed section. Although the government did not accept that entirely, it has said that the bill provides for regulation to prescribe when an amount is proportionate to the value of the work under a regulated contract in the event that the Queensland Building and Construction Commission encounters emerging consumer protection issues in regulated contracts. In other words, they will be monitoring that and if an issue arises they

will be able to look at it. That in itself is good. I am pleased that the government, the minister and the department are looking at that.

The deposit on contracts is another issue that is very important to the building industry. A building contractor under a regulated contract must not, before starting to provide the contracted services of the building site, demand or receive a deposit under the contract, and there are three categories, but I will not go into the details of those. That is what happens. We looked at that. The committee supported the introduction of a higher deposit maximum for contracts where more than 50 per cent of the contract value is constructed off site. Regarding the Master Builders recommendation that the deposit for level 2 regulated contracts be raised to 7.5 per cent, the committee noted the department's acknowledgement that cost structures may have changed since the implementation of the deposit maximum in the year 2000. That is quite reasonable. The committee encouraged the minister to review the deposit maximum proposed in the bill. We recommended that the minister review the suitability of deposit maximums proposed in this bill given the period that has since lapsed. The minister has accepted that recommendation.

The committee considered progress payments for on-site work only. I will not go into all the details there, but generally speaking the committee recommended that the minister amend the bill to ensure that the builder whose work is predominantly carried out off-site is able to seek and receive appropriate progress payments beyond the 20 per cent allowed by proposed new sections of the act and in line with the progress of their work. That also has had a part approval and there will be ongoing work in relation to that recommendation.

We looked at foundations data, which is very interesting. Proposed new sections provide that before entering into a contract a building contractor must obtain the foundations data that is appropriate for the building site and it attaches a maximum penalty of 100 penalty units. It should be noted that both the requirement and the penalties remain unchanged from those that have applied under the DBCA for the past 14 years. I will not go into the committee comment, but we recommended that the minister consider amending clause 60, proposed new section 31 to enable a domestic building contract to be entered into where the builder is not able to obtain foundations data, but guarantees in the contract that there will be no price increase when the foundations data is subsequently obtained. When you look into that, it is the best solution. We agonised over that and, at the end of the day, the minister and the government have accepted that recommendation.

We also looked at the extension of time, which is another aspect of the bill. I will not go into all the details of that. We recommended that the minister amend one of the clauses to propose a new section of the act to require the consideration of the cause and extent of a likely delay in a building construction to enable the approval of a time extension claim by the owner to be in writing rather than by signing. In other words, in this day and age you can send an email. In the past you had to sign it or find someone to sign it, but often people were not around or they were pretty busy. However, an email will work and that is good.


Practical completion is another bone of contention in the building industry. We have made recommendations that the minister amend the definition of 'practical completion' for both level 1 and level 2 regulated contracts in the schedule dictionary to include minor defects and omissions in the case of level 1 regulated contracts, to remove references to 'not practicable at the time of completion' from level 2 contracts and to limit the application of the suitability for occupation test. Further, we recommended that the minister consider conditioning to provide exemptions where part of the work required to be certified is being undertaken by a third party. That has been accepted and I think it will certainly help the industry moving forward.

The proceedings for a breach of warranty have always been a bone of contention. In the building industry, it is one of those things that you have to have and the consumer needs it. We talked about that. The committee noted the general concern from submitters that extending the time frame for the statutory warranty period for a non-structural defect to two years, and six months in some cases, is problematic. The department advice is that it will propose an amendment to revise the time period down to 12 months, in line with the recent QBCC board changes to the defective building work policy. We recommended that the minister reduce the statutory warranty period for non-structural defects to one year. I think that will be more practical for the whole building industry.

Proceedings for a breach of a statutory warranty is another aspect that is important for the building industry. We recommended the introduction of an additional defence that establishes a duty on the building owner to provide reasonable access to the building contractor to rectify an alleged

defect. In many instances, you will have a row going on between the builder and the owner. The owner will say, 'No, you can't go in'. The builder will say, 'I want to go in'. It also happens the other way around where the builder does not turn up. At the end of the day, we have to have some sort of compromise and this seems to be the best outcome.

Other aspects considered include that the variation must be in writing. We recommended that the minister amend the schedule to explicitly incorporate electronic communication into the definition of 'in writing' for the purpose of agreeing variations in writing. That was done. Generally speaking, that pretty well sums up where we have been with this bill, although there are a few other parts to it. This bill will make a significant difference in terms of the progress that we are making within the whole building industry. I thank the minister and I thank the opposition for supporting these practical recommendations. This bill will certainly take Queensland further into the next century.

 **Mrs D'ATH** (Redcliffe—ALP) (8.27 pm): Today I rise to make a contribution to the Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014. I note that my colleague the member for Rockhampton and shadow minister for public works has already made a detailed contribution on the contents of this bill, so I will confine my remarks to the aspects of the bill that amend the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Act 2008 and the Housing Act 2003. As the member for Rockhampton has already indicated, the amendments before us today build on legislation introduced under the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2013 and the opposition will not be opposing them, as they are technical in nature.

The amendments before us today are required to facilitate the smooth transition of public housing to the community housing sector, regardless of whether it is undertaken in a methodical and measured manner, which in our view is the way it should be approached, or like a bull at a gate with a 90 per cent target such as those opposite advocate. However, many questions have been left unanswered satisfactorily by the government in relation to these changes.

In relation to tenancy agreements, the bill before us today will allow the state to terminate a state agreement and replace it with a community housing provider agreement to allow for the smooth transition of the tenancy. While that appears to be sound, I ask the minister: will the new agreements with the community housing provider be the same as the state based agreement? Will the transfer of the tenancy agreement from the state to the community housing provider allow for changes or amendments to occur to the tenancy agreement?

I note that the explanatory notes state that—

The proposed amendments... support the strategy goal of transferring management of 90 per cent of social housing to the community housing sector by 2020.

However, I note with interest that when comparing this legislation with other jurisdictions, the explanatory notes indicate that—

... smaller scale management transfers have been undertaken in other places. However, under the 2020 Strategy, Queensland has committed to a more expansive program than other jurisdictions.

While this information is not new, it does put into context the way other jurisdictions are going about this, which is via a methodical approach, undertaking small scale transfers to begin with and then presumably working their way up, gradually. This is an approach that the opposition supports. We believe that we should be working in partnership with the community housing sector and not just off-loading the responsibility of public housing to the community housing sector, abrogating our responsibility in the process.

If those opposite were genuine about their Housing 2020 strategy, why have they not, to date, publically named the successful tenderer for their Logan Renewal Initiative project? As members would be aware, the Minister for Housing announced the short-listed organisations for the Logan Renewal Initiative more than 600 days ago, on 19 February 2013. Those organisations were Queensland companies Brisbane Housing Co., Horizon Housing Co. and Mirvac Queensland and New South Wales company Compass Housing Service Co., which I note has recently bought out local Queensland housing organisation 4walls Ltd.

While the opposition is aware that the New South Wales company Compass Housing Services Co. has been the successful tenderer, there has been no announcement by the government, that we can find—not even an update, that I am aware of, indicating how the process is going. All we could

find was a media release on the Compass Housing Service Co. website, dated 22 September 2014, which states—

Compass Housing services have been selected by the Queensland Government to play a key role in Queensland's largest ever housing renewal project.

It goes on to state that the project is the Logan Renewal Initiative. As this is the minister's flagship housing renewal venture, we would think that the government would be keen to be announcing the transfer arrangements to the new provider.

I note that during the Transport, Housing and Local Government Committee's deliberations on this bill, the deputy director-general of housing services within the minister's department, stated—

The Logan Renewal Initiative and the Gold Coast Management Transfer Initiative are the first of these transfers, expected to commence in early 2015.

I ask the minister to provide a detailed update to this House about the status of these initiatives given that the Logan Renewal Initiative was announced more than 600 days ago and there has been very little movement on the ground nor, from my understanding, communication with existing public housing tenants. Why has it taken over 600 days to come to the point of awarding the tender to Compass Housing Service Co.?

In relation to privacy and confidentiality, the bill, as outlined in the explanatory notes, provides a better mechanism to transfer public housing tenancy leases to the community housing provider and also establishes legislation to allow the transfer of confidential tenancy records and information from the department to the community housing provider to enable the provider to continue the tenancy. While this is an important step, to ensure that information is maintained, managed and used in an appropriate manner, I ask the minister what guidelines will be in place to ensure that confidential information is maintained and used in a correct manner once transferred from the department to the provider? Will the department have oversight and powers to investigate?

While on the topic of transfers, which is the key objective of the Housing 2020 strategy and which these amendments pertain to, will the minister outline in his reply what stage the transfer is up to? What regions have started to transfer their stock? I refer to the Department of Housing and Public Works fact sheet entitled 'Transfer of the management of social housing to the non-government sector', dated July 2013, which outlines indicative time frames for starting housing management transfers. I note that it indicates that by now the housing service centre areas of Woodridge, Robina, Redcliffe, Maroochydore, Gladstone and Cairns should have commenced transfers, with Mackay, Rockhampton, Emerald, Bundaberg, Maryborough and Caboolture occurring in the current 2014-15 financial year. Have any of these actually commenced?

I can advise that no such transfer will occur in Redcliffe because the Newman government instead chose to unilaterally close the Redcliffe housing service centre last year without advising the community or even leaving a note on the door as to where people could now get assistance. I also note that the document indicates that the Logan Renewal Initiative, which I have already referred to, commits to the management transfer of approximately 4,732 units of accommodation from the Woodridge housing service centre. As stated, the government has not yet publically announced the successful provider. Can the minister outline how this target will be met, with no publically available plan or timeline in place?

With such a high number of dwellings proposed for transfer from the control of the Woodridge housing service centre's jurisdiction to the community housing sector, what will happen to the existing hardworking public servants working in those centres? What thought has been given to the future of existing hardworking public servants, currently working on the front line with Queensland's public housing tenants?

I understand from reading the record of the 2013 budget estimates hearings that the minister did not give a guarantee about the future of public servants working in the housing service centres to which this legislation will be applied via the transfer of management. I believe his words were—

If they are passionate and are doing as good a job as I think they are doing, they will be snapped up by these community housing organisations.

Although that might be the case, that does not provide any reassurance to our hardworking public servants that their jobs will be safe. Couple this with comments made by the deputy director-general of housing services from the Department of Housing and Public Works at a recent

hearing of the parliamentary committee on 27 August 2014, where he stated under questioning by the member for Woodridge—

I would have thought, however, given the nature of the task, there would be significant interest from a community housing provider in the very good staff that we have within housing services.


These two statements, by the minister and his department, do not give our current hardworking public servants any comfort. The opposition has been contacted by many public servants who are worried about their futures as the en masse management transfers commence. I ask the minister today to provide a guarantee that our hardworking front-line public servants jobs will remain safe and that there will be no further job cuts in his department as a result of the transfers.

In conclusion, while the opposition will not be opposing the amendments pertaining to public housing management in Queensland, we do believe that there are a number of issues that the minister and those opposite need to address. We believe that there are a number of potential consequences that will result from the management transfers, including the loss of further public servant jobs. We have seen public housing tenants in Queensland come under attack by those opposite, such as introducing the draconian temporary absences policy, which they have only tweaked at the edges when they were caught out by the opposition.

We are now hearing from Queenslanders who are contacting the opposition that public housing tenants' rents are going up more than the \$7.50 a week cap the minister stated would be applied. While we believe that the community housing sector has a role to play in public housing in Queensland, we believe that the transitions need to occur gradually—similar to what is happening in other jurisdictions, after tenants are well informed of the changes and with strict rules and conditions in place to ensure that public housing tenants are not disadvantaged.

We believe that the focus should not be just to outsource the public housing system en masse, as quickly as possible, but to ensure that there are adequate support services available to actively assist tenants. There also needs to be proper and meaningful consultation and an information campaign regarding the changes to public housing tenancy arrangements.

While I note that on the surface there may not be any difference from the tenants' perspective regarding their lease and day-to-day tenancy, public housing tenants in Queensland have gone through a roller-coaster of change since the Newman LNP government came to power, with many feeling they have been victimised and attacked by those opposite. I would appreciate the minister outlining how he proposes to actively and positively communicate the transferring of management changes to existing and new public tenants in Queensland. As the shadow minister for housing, I and my Labor colleagues will continue to monitor and watch the public housing space in Queensland to ensure that public housing tenants and indeed all tenants in Queensland receive a fair go and are treated equally.

 **Mr BENNETT** (Burnett—LNP) (8.37 pm): I rise to support the Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014 which continues the government's commitment to stimulating economic growth by reducing red tape. This bill represents the third stage of our 10-point action plan for the QBCC and demonstrates our commitment to improving the construction industry by protecting consumers and making it easier for honest, hardworking Queenslanders to get on with the job of building our great state, while at the same time weeding out any dodgy operators who might harm the industry.

After many years spent working in the building industry, and still a registered, I thoroughly understand how misunderstandings can quickly become long, drawn out disputes that ultimately take a huge toll on all parties, both emotionally and financially. I welcome any measures that help eliminate or reduce this burden on the people of Queensland.

One area in particular with the potential for confusion is building contracts. The vast majority of building contracts are at the smaller end of the scale where the customers are everyday mum and dad homeowners or investors. For these consumers, negotiating a building contract could quite literally be a once-in-a-lifetime experience, and certainly not something they do as part of their everyday life.

This bill introduces two levels of domestic building contracts based on the value of the work being done. Under this system, consumers will be protected from contractors who might take advantage of their lack of experience. Regulations on smaller projects will be a lot simpler and will make it easier for those who are not industry savvy to know where they stand.

I also welcome the introduction of an early intervention process for disputes. The QBCC will have the ability to mediate disputes—and potentially resolve them—within 28 days of them being lodged, and this is at no cost to the parties involved. When compared to the prospect of a long drawn out and expensive resolution process, I would expect that both consumers and contractors would appreciate the possibility of having an issue resolved quickly so they can move on.

As with all industries, in the construction industry it is the small minority who do not do the right thing that often taint the reputation of the majority who are actually decent and honest operators. This bill seeks to introduce greater deterrents for dodgy operators who try to flaunt the rules by using a demerit points system and heavier sanctions to flag those operators and make it harder for them to take advantage of unsuspecting consumers.

When it comes to identifying these operators, I am sure that most people outside the building industry would be surprised to learn that building inspectors currently do not have the power to compel people to provide their correct identity. With dodgy builders often operating under false names, I am sure that most people would find it absurd that the industry regulator cannot even be certain who they are talking to when investigating questionable practices. The measures in this bill that give QBCC inspectors additional powers to accurately identify an individual correct something that has been very wrong in this industry for a long time.

The QBCC will also be able to access data from other government agencies and statutory bodies, making it easier for them to weed out unscrupulous behaviours and of course the people who try to hide themselves in amongst complex paper trails. Subcontractors who rely on the main building contractor to pay them the correct amount in a timely manner will also enjoy greater security of income under this bill. Grounds for disciplinary action against a contractor have been extended to failing to pay a subcontractor in accordance with their contract. Self-employed subbies are an essential part of the domestic building industry and they need to know when and how much they will be paid.

Another area for disputes that is characterised by many different shades of grey is that of consequential damage to adjacent residential sites, and this occurs mainly during construction. During his introductory speech, the minister cited the example of excavation work undermining a retaining wall on an adjacent property. With the trend in recent years towards the smaller blocks in urban areas that we now see as part of our community, the potential for these types of disputes has increased significantly. I am pleased to note that this bill gives the QBCC the power to direct rectification under certain circumstances.


Another common-sense measure taken by this bill is expanding the Queensland Home Warranty Scheme to cover new swimming pool construction and manufactured homes. More and more people are taking advantage of quite reasonable prices on new pools to create an addition to their new home that allows them to enjoy our fabulous climate. This is a logical development of the scheme that will give more Queenslanders the peace of mind they deserve.

Still on the Queensland Home Warranty Scheme, the QBCC will now be able to sort out defects under the scheme even though a dispute might be active in QCAT. As the minister pointed out in his introduction of the bill that this is a big win for average Queensland consumers who have taken the plunge to build a new home. Instead of waiting months for the dispute to work its way through QCAT, they will be able to access money through the scheme much sooner.

Finally, I want to touch on the aspects of the bill which seek to help the community housing sector better serve our most vulnerable Queenslanders by helping them secure appropriate and affordable housing. As part of the government's Housing 2020 Strategy, this bill gives community housing providers access to essential information currently held by the department. As the management of department owned housing is progressively transferred to community providers, it is essential that they have access to this information to make the transition as seamless and stress free as possible for public housing clients. At the same time the confidentiality of the client's personal information needs to be assured. This bill addresses those concerns and facilitates an effective transition process.

Current forecasts predict that thousands of people will move into parts of my electorate of Burnett over the next 10 to 20 years. Naturally we will need new homes to accommodate this growing population. I would like to envisage a future for my constituents where the experience of building a new home is one of excitement and anticipation of seeing their dreams realised—not one of heartbreak and frustration. To do that we need legislation such as this bill that ensures the majority of

good quality builders prosper while weeding out the few that disregard the rules and the wellbeing of their customers and subcontractors. I thank the minister and his department for their efforts and foresight in bringing the Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014 before the parliament. I support its progress through the House.

 **Mr JUDGE** (Yeerongpilly—Ind) (8.44 pm): I rise to support the Queensland Building Construction Commission and Other Legislation Amendment Bill. Firstly, I want to acknowledge the work of the committee and particularly the chair, Mr Howard Hobbs, the member for Warrego, who is an excellent chair and has been an excellent member of this parliament for many, many years. The relationship that occurs within the committee between the government, non-government and opposition members is quite amicable and constructive.

I think that the departmental staff for the Department of Housing and Public Works deserve to be honourably recognised in the chamber for their support to the minister. I know that they work very hard to support the minister. I am sure that, even though from time to time there are criticisms directed towards the minister, he has the best of intentions for Queenslanders as well.

Having said all of that, the member for Burnett in his experience as a builder made the point about dodgy builders in the industry. A lot of us in the course of our life have built a home. I personally did not build one; I got a builder to build one for me. It is an exciting experience. It is also a very stressful experience for people, particularly young families. Couples might have recently married and they might have a young child or two and they want to building a home for their family. It is a long-term investment—one of the biggest investments they will ever make in their life, so it means a great deal to them. It is a very emotional experience for them, and the protection offered under this legislation is incredibly important.

The deposit for construction on site is relevant—7.5 per cent, I understand, is a compromise between the industry and the government and other vested interests in this legislation. In terms of progress payments for construction off site, construction off site is becoming more and more a common theme. A lot of construction is now occurring off site. I do not think we should just turn our minds to industries like—and I do not endorse any particular industry—Altec, for example, that build prefabricated extensions to people's homes. I think as we move into the future what we will see is more fabrication of homes being done off site. We really need to turn our mind towards how we manage the progress payments for off-site construction.

Prefabrication is probably the way of the future in terms of construction of homes and other developments that occur throughout our society. In fact, I read an article recently where there has been 3D construction of small dwellings occurring in Asian countries, and small prefabricated structures are being built rather rapidly through that process. I do not think we should ignore the challenges faced by industry that deals with off-site construction in terms of the outlay of labour costs and materials for largely a fabrication that is occurring off site with only a 20 per cent deposit. In my view, there needs to be a view taken whereby progress payments are made for the works that are being done off site, and that is a challenge for the minister and his department into the future.

In terms of foundations data, the good chair, Howard Hobbs, the member for Warrego, touched on that. I think he summed that up very, very nicely. In relation to an extension of time being dealt with by email, we all live in the modern era. In fact, if you did a little bit of research about who owns and uses computer technology nowadays, you might be quite surprised. Plenty of people above the age of 65 and 70 use technology. There is an argument—if I can go off on a tangent for a moment—to move to online reporting of minor motor vehicle traffic incidents. I once conducted some research in relation to that matter and it was quite surprising to realise the extent of computer technology and the use of online information by people aged 65 years and older.


The technology is there. It is being used by a broad spectrum of our community. Extensions of time in writing are probably something that should be considered and included. The fact that it is raining is not the only consideration. A site may well not be suitable for construction for the on-site and safe working conditions of subcontractors and contractors in terms of building a home due to the wetness of the ground and the unstable footings they might need to work on. These sorts of conversations need to occur between an owner and a builder, and the legislation certainly needs to address that.

With regard to the structural warranty of a home and non-structural defects within one year, I think when most of us have moved into the first home we have built usually within a number of weeks or a number of months you identify most of the things you find in the house that are not satisfactory.

Most builders, if you have a decent builder and not a dodgy builder, as the member for Burnett pointed out—I am sure if he were a builder he would be quite a good builder—would come back and happily rectify reasonable defects in a home.

This is somewhat relevant but not totally relevant. We were talking about subcontractors. One of the things that I think is very important for the minister to consider in consultation with the qualified staff who work in his department is the security of payment legislation. I believe that is a serious challenge for the industry. I would respectfully encourage the minister to turn his mind to that as something that would be ideal to identify and rectify in this term of parliament. I know that he is surrounded by the expertise with which to address that challenge.

There has been discussion about the demerit points that occur within the industry, and I will not revisit that. Overall, I am pretty happy with the excellent work of the committee led by the chair, the member for Warrego. I congratulate the department on its support for the minister. I support the bill. I thank the support staff of the committee for their assistance in preparing the report. I commend the bill to the House.

 **Mrs RICE** (Mount Coot-tha—LNP) (8.52 pm): I rise to make a brief contribution in support of the Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014. Firstly, I note that this bill contains a number of important aspects relating to the Queensland Building and Construction Commission and the Housing 2020 Strategy. I commend all aspects of this bill, but I would like to take a little time to focus on those aspects relating to the Queensland Building and Construction Commission, or QBCC.

One of the most significant issues I was confronted with from families in my electorate upon becoming the member for Mount Coot-tha was those associated with the former Building Services Authority, or BSA. These families and homeowners had major issues with their residential building that was just not able to be adequately dealt with by the BSA, which was commonly referred to as a toothless tiger. This bill goes a long way towards addressing many of the aspects that have previously negatively impacted on families and homeowners in my electorate. These relate to action by the QBCC while proceeding in QCAT; early dispute resolution for domestic building contracts; red-tape reduction initiatives; and a new offence for failure of a contractor to pay a subcontractor.

In relation to action by the QBCC while proceeding in QCAT, this bill enables the resolution of disputes between homeowners and builders faster, cheaper and far less stressfully for both parties. We know that in the past some unscrupulous contractors have used section 83 of the QBCC Act as a way of preventing the QBCC from becoming involved in a matter by filing spurious disputes in QCAT in order to delay or deter consumers from accessing the QBCC's dispute resolution service. I have seen this on a number of occasions firsthand through residents in my electorate. This has resulted in unacceptable delays for consumers in having disputes resolved.

The bill also allows the QBCC to act while a domestic building dispute is on foot in the tribunal, avoiding such delays. This is particularly important given that the QBCC now offers early dispute resolution and internal review processes which are likely to resolve disputes far more quickly than a domestic building dispute in the tribunal. Any decisions made by the QBCC when a domestic building dispute is on foot will remain reviewable via the usual processes.

The bill also enables the QBCC to continue to act in relation to defects and insurance claims while a domestic building dispute is being conducted between the consumer and the contractor. Contractors will no longer be able to prevent the QBCC from approving a claim to rectify defective or incomplete work under the Queensland Home Warranty Scheme while a dispute exists between the contractor and the consumer in the tribunal. For example, if the contractor and the consumer are in proceedings in the tribunal in relation to variations or monies owed, the QBCC will still be able to direct the rectification of substandard work.

The review rights, currently available to contractors, will remain after this amendment. The amendment also means that the QBCC and the contractor can enter into negotiations in relation to the recovery of the insurance payment early in the proceedings rather than having to wait an extended period of time for the tribunal to hear all of the domestic building disputes and review proceedings.

Consumers will benefit as rectification works will occur quickly and consumers will not be caught up in proceedings in the tribunal as the dispute will be between the QBCC and the contractor. Contractors will also benefit as they will have the ability to negotiate with the QBCC regarding recovery of insurance payouts rather than being the subject of expensive debt recovery proceedings.



Further, it is likely that by having matters promptly rectified under the Queensland Home Warranty Scheme there will be savings on insurance payouts as the delays currently being experienced inevitably lead to work being more expensive to complete or rectify due to price rises and the deterioration of defective work left untouched for months or years, often exposed to the elements.

I have already touched upon aspects of early dispute resolution for domestic building contracts. Disputes between homeowners and builders will now be resolved faster, cheaper and with less stress for both parties thanks to these proposed amendments. The QBCC Act currently empowers QCAT to hear and decide building disputes between consumers and contractors, but there is no requirement for the parties to attempt to resolve a dispute through the QBCC dispute resolution process. As a result, a significant number of matters go to the tribunal which could be resolved by the intervention of the QBCC as an independent conciliator or mediator.


Up to 40 per cent of disputes are resolved at compulsory conference at the tribunal. However, under current processes the parties cannot be guaranteed a compulsory conference until three months after the filing of an application. This bill includes amendments to the act to assist in the early resolution of disputes for domestic building contracts by ensuring that the parties to a domestic building dispute can only go to the tribunal following an attempt to resolve the matter with the QBCC. By ensuring that the parties must seek the assistance of the QBCC prior to going to the tribunal, it is likely that the tribunal's workload will be reduced and matters resolved over a shorter timeframe.

The QBCC has developed an early dispute resolution process which will provide a no-cost conciliation or mediation process which will be completed within 28 days of bringing the matter to the QBCC's attention. This will also apply to disputes that arise while the contract is on foot. As the process is provided free of cost, consumers and contractors are expected to make a significant saving in legal fees. The dispute resolution service is consistent with schemes that have been in place in other jurisdictions including Victoria and New South Wales for a number of years and where the number of disputes being lodged in their respective tribunals has decreased.

This bill includes a number of red-tape reduction initiatives, particularly relating to the simplification of domestic building contracts which I applaud. However, I think one of the most important parts of the bill is the introduction of an offence for the failure of a contractor to pay a subcontractor. This is a huge win for all subcontractors who want, and deserve, to be paid for the work that they do. The QBCC often receives complaints from subcontractors of head contractors not paying them in accordance with the contract or using commercial leverage to force subcontractors to accept lower amounts than originally agreed.

The bill provides the QBCC with the power to take disciplinary action against head contractors in relation to failure to pay subcontractors as per the terms of the contract. Head contractors who believe they have a legitimate reason for not paying a subcontractor will be able to state their reasons and defend their position. The bill will enhance the protection for subcontractors within the industry and help to provide them with the surety that they will be paid for the work they have done as per the terms of their contract. The reason I say that this is one of the most important aspects of the bill is that I have a family in my electorate going through the heartache of having had a builder who did not pay the subbies. In fact, they have had issues in relation to every aspect of this bill, although the provisions have not previously been there for them to be able to deal with it. The builder subsequently went under, and because the subbies have not been paid this family is unable to get the certificates it needs to complete the build. These will hopefully be able to be negotiated, but the point remains that severe penalties need to be applied to builders like this who do the wrong thing and do not pay their subbies.

In conclusion, the government has made a very significant commitment to Queensland to revitalise front-line services. This bill goes a long way to continuing to deliver on that commitment by turning a toothless tiger into something with a bit of bite, and rightly so. It is certainly something that many people in my electorate have been crying out for, as indeed have many builders, so I add my support to the passing of the bill.


 **Mr KING** (Cairns—LNP) (9.00 pm): I rise to make a very brief contribution in support of the Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014. My focus, like the member for Mount Coot-tha, will be on the legislative amendments required to implement the next stage of reforms from the government's 10-point action plan in response to the Transport, Housing and Local Government Committee's inquiry into the operation and performance of the former Queensland Building Services Authority.

First, to provide some context, I want to give a quick overview on where the building and construction industry in my great electorate of Cairns has come from, what it has been through and where it is at now since the LNP government came to office in March 2012. I have spoken at various times in this House about the dire state of the Cairns economy, particularly our building and construction industry, under the former Labor government. The Cairns economy was battered from pillar to post in the last four years of the former Labor government. We had major construction companies collapsing, countless tradies out of a job forcing them to leave town, and of course a broader local economy that was absolutely in the doldrums. In the past 2½ years a very different picture has been emerging. In numerous conversations I have had with local builders and construction companies in Cairns, it has been abundantly clear that the changes that the housing minister and this government have made to what was the Building Services Authority have been extremely positive and proactive. By all accounts, the relatively new QBCC has been a breath of fresh air for an industry that was struggling under the weight of onerous regulation, unresponsive oversight and excessive red tape—all of which are hallmarks of the former Labor government right across all departments.

This bill we are debating here tonight continues the reform undertaken by the LNP government and progresses that 10-point action plan aimed at reforming regulation of the Queensland building and construction industry. This reform contained in this bill, along with a range of other economic policies and the rebuilding of industry confidence, has led to a promising turnaround in the building sector in my electorate. Today we are seeing major construction projects either getting started or being close to starting in Cairns. We are seeing the residential building sector starting to fire again, backed up by the latest building approval figures. Indeed, the latest building approvals for the construction of new homes in Cairns has picked up 'significant pace' since the start of this year, with a remarkable 31 per cent increase evident in the building approvals trend between January and July 2014. To keep this momentum rolling, it is very important that we continue to renew and reform regulation of the building and construction industry, we continue to cut red tape and we continue to focus on practical outcomes and sensible processes. I too pay tribute to the member for Warrego and his committee for doing just that in their work on this bill.

Importantly, as the member for Mount Coot-tha pointed out, some of the key changes for me are around the dispute resolution system. That is a key change of this bill. It means that parties to a domestic building dispute are only able to go to the tribunal following an attempt to solve the matter with the QBCC. In addition, an early dispute intervention process has been developed which will provide a no-cost conciliation and mediation service for consumers and licensees which ensures that the process is completed within 28 days of being brought to the attention of the QBCC.

In conclusion, I commend the minister and the committee for their work. I particularly commend the minister for listening and responding by adopting the majority of the committee's recommendations. I commend this bill to the House.

 **Mrs FRECKLINGTON** (Nanango—LNP) (9.04 pm): I rise in the House tonight to support the Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014. I would like to thank the Minister for Housing and Public Works, the Hon. Tim Mander, for bringing this important bill before the House. I would also like to thank the Transport, Housing and Local Government Committee and in particular the chairman, my friend and colleague the Hon. Howard Hobbs, the member for Warrego, who will be sorely missed in this House after the next election. The committee spent a lot of time reviewing this bill and I note that the committee recommends that the bill be passed.

I welcome this bill and the role it plays in addressing the legislative amendments required to implement the next stage of reforms from the government's 10-point action plan to overhaul the Queensland Building Services Authority and building regulation in Queensland. This review into the BSA was one of our government's earliest promises. The 10-point plan which resulted from the review has been instrumental in establishing the Queensland Building and Construction Commission, the QBCC, to replace the old BSA.

The minister knows that I have been a strong advocate for better building regulation, and the review and further public consultation revealed serious shortfalls with the BSA. The minister will recall that we met with numerous builders right here in Brisbane and we also held meetings with local builders and, more importantly to some extent for my electorate, subcontractors who have been affected in the great electorate of Nanango. I met with builders such as Darrin Kefford, who is always

an extremely strong advocate on behalf of the subcontractors. He is always keen to remind me that we really need to get this reform right.

Our government has identified the building and construction sector as one of our four pillars of economic growth, and it is through bills such as this that we can continue to fulfil our commitment to grow the sector, cut red tape and support not only home owners—the mums and dads, the grannies and grandads—but our builders and local subcontractors. The member for Mount Coot-tha, Saxon Rice, put it very eloquently. Quite often it is unfortunate that it is the builders who are the ones who are not paying our subbies, so we need this reform. This legislation is giving the commissioner and the commission a bit of bite, and it is about time. I use those words from the member for Mount Coot-tha—‘a bit of bite’—because this is what the people in her electorate and the people in my electorate of Nanango have been waiting for. I am really pleased that this is actually the way it is.

For the remainder of my time tonight, I would like to focus on the Housing 2020 Strategy and the positive impacts these amendments will have on the social housing sector. The minister must be congratulated for the vision presented in this housing strategy. It is ambitious but it acknowledges that the public housing sector needs reform. Over the past 20 years, the needs of our tenants have changed dramatically but unfortunately the system simply has not. Our government, however, is committed to helping people in housing stress while creating a flexible, fair and integrated system. Part of the strategy is to have 90 per cent of housing tenancies managed by the not-for-profit sector by the year 2020.

The key objective of this strategy is to achieve more efficient and effective delivery of the full range of housing services by progressively transferring the management of the department owned and managed social housing and other housing assistant functions to approved providers. Again, like almost every time I have stood in this House since I became the elected member for Nanango, I can say that this is common-sense legislation that is being brought before this House by a common-sense government—the Newman led LNP government.

The proposed amendments to the Housing Act and the Residential Tenancies and Rooming Accommodation Act 2008 are designed to ensure the smooth transition of public housing tenancies and other housing assistance functions to approved providers and to make sure the right arrangements, including protection for confidential client information, are in place to support the ongoing delivery of accountable and responsive services. The need for a good social housing system is extremely important. In my electorate of Nanango, I regularly receive inquiries from people who are in housing distress and who desperately need our help—from families, single parents, young men and the elderly.

I am proud to know that the changes that our government has introduced so far are helping to reduce the waiting list and to put roofs over the heads of those most vulnerable and needy people. In fact, earlier this year I announced that in the electorate of Nanango 43 extra families were able to secure a public housing home. This decreased my region’s public housing wait list by 57 per cent. This is a wonderful achievement. For years upon years upon years these people were lingering on the waiting list. The previous Labor government did not care about the electorate of Nanango. They did not even know it was there. Incredible! We have been able to reduce the public housing waiting list by 57 per cent. Well done, Minister. I am very pleased with that.


This is thanks also to plenty of hard work by our housing service centres and some innovative new policies. Not only is it working in my electorate—

**Mr Byrne** interjected.

**Mrs FRECKLINGTON:**—and the member for Rockhampton can shake his head because I am proud of the work we have done here—it is also working across the state. With more than 5,500 households moving off this waiting list in the last 12 months and another 665 places under the National Rental Affordability Scheme, this is a massive drop in the waiting list and it was due to a combination of more new dwellings, better waiting list management and greater awareness of the alternative types of housing assistance.

Under the previous Labor government what we saw was a social housing or bust mentality in which long-term government subsidised housing was seen as the only option. Under our Newman government’s Housing 2020 Strategy, the emphasis is on giving people options wherever possible, helping them become self-reliant rather than remaining dependent on the taxpayers’ dollars and dependent on government. Obviously there will always be people who will need social housing and for whom we have an enduring responsibility, but there are plenty of others who are perfectly capable

of sustaining a private tenancy if they get the right help, and that is what the intention of this bill is all about. With those words, I would like to support this bill.

 **Mrs CUNNINGHAM** (Gladstone—Ind) (9.11 pm): I rise to speak to the Queensland Building and Construction Commission and Other Legislation Amendment Bill 2014. Much has been said already in relation to this legislation, particularly on the two major strategies that are addressed by the bill: the further steps taken in relation to the Queensland Building and Construction Commission and then the Housing 2020 Strategy. In relation to the Queensland Building and Construction Commission, one of the best incremental benefits for me and the people in my electorate that this legislation will bring is early dispute resolution. There have been a lot of instances in my electorate where, particularly with out-of-town builders who have rushed up during the construction boom, there have been disputes over the building work that has been done. Previously—and it was not the problem of the people who worked at the BSA—the process that was in train was that certain things had to occur in the building program before the dispute could even be addressed. For people who are aggrieved, it is an intensely frustrating place to be where something is wrong or something needs to be remedied, but it cannot be addressed at an early stage. One of the previous speakers was talking about the fact that building work that needs to be remedied or restored only continues to deteriorate unless the work is carried out promptly.

The other matter that I wish to talk about is the Housing 2020 Strategy which proposes to move the management of government housing to private providers. I have spoken in this place about the real risk and I have spoken also to the ministers about the experience that I observed when the feds handed over the part of Centrelink that dealt with job seeking to private providers. What happened was that those people who were chronically unemployed or had significant difficulties in gaining employment because of either their own disabilities or lack of competence were left by the private providers; the private providers were not interested. In some Centrelink offices—and I will not say all—there was a little office out the back where a mini-job-hunting service was provided for those people. When I have spoken to the minister and to previous ministers their response has been that private providers will not be allowed to pick and choose for whom they provide housing. I think that is a very positive and good sentiment, but I still wanted to make that cautionary comment that there may be some people who will be very difficult to place. It could be that the government will be left with those most difficult people to place simply because nobody else will know quite what to do.

It is critically important that people in our community are housed. Homelessness in itself is a huge challenge to self-confidence and self-reliance. Homelessness also gives rise to other problems. I know I am speaking to somebody who is well informed in those areas because of the minister's work with SU. Good housing for the people in our community who are vulnerable is essential. That vulnerability could be age, it could be reduced competence, it could be social or economic stress; but all of those people are critically important to our community. So many of the folk who are the backbone of our community are people who are not high income earners. They are the mums and the dads who just battle away day after day. They are the ones who have a very great—not that everyone does not—and generous spirit, and good housing is critically important to the strength of our community.

I would like to give recognition to a number of organisations in my electorate that will be looking at privately managing the public housing list, and that includes Gladstone Affordable Housing, Roseberry Community Services, Anglicare and Gladstone Community Advisory Service. They are some of the ones that already manage housing and that are keen to be involved in this longer term management. There is also the Aboriginal co-op which has some houses as well.

I also commend the minister for expanding the Queensland Home Warranty Scheme to cover new swimming pool construction and manufactured homes. Manufactured homes is an area that I think crept up on everybody a little bit unexpectedly. Once some of those manufactured homes are completed, people would not know that they were skidded in on a truck such is the quality of those buildings once they have been installed and landscaped. This bill recognises some of the new initiatives in home building and also in the swimming pool area, and I commend the minister for that.

There is one comment that I want to make. I do not want to be in any way negative towards the member for Nanango because I believe that the current member for Nanango does a wonderful job representing her community. She made a comment that Labor when in government did not know about the electorate of Nanango. Can I say that her predecessor did a very good job at making sure that the electorate of Nanango was at the front and centre of ministers' minds? As I said, I am not in

any way denigrating the work of the current member for Nanango, but I could not sit here and not put forward the point of view of the former member for Nanango.

I commend the minister for the work that he has done in representing the vulnerable in our community. That is not just those who need housing; that is also those who, in building their dream home, find things have not gone the way they expected. It is not an easy row to hoe and it is not an easy portfolio to manage, looking after and giving support and confidence to those people who suffer, as I said, because of age, a lack of competence or social or economic stress. I commend the minister. I know that the compassion that he showed in his former work has also transferred to his current portfolio.


Debate, on motion of Ms Cunningham, adjourned.

## ~~ADJOURNMENT~~

~~Mr STEVENS (Mermaid Beach—LNP) (Leader of the House) (9.20 pm): I move~~

~~That the House do now adjourn.~~

### ~~Ashgrove Electorate, Can Do Awards~~


~~ Hon. CKT NEWMAN (Ashgrove—LNP) (Premier) (9.20 pm): Madam Speaker, I am so pleased to rise tonight to report to the House the winners of this year's Can Do Awards. As local Member for Ashgrove, I have established a local awards program focused on recognising our local champions—the people who do so much in our local community and deserve to have their work recognised. In its second year the Can Do Awards have recognised over 31 locals, community organisations and businesses from the local community.~~

~~I am very pleased to report that last Saturday, 11 October, I hosted the Can Do Family Night and, as a part of these celebrations, the Can Do Awards. It was a great night with well over 350 local residents attending to take part in the festivities and celebrations. The event gave local community groups such as the Mitchelton Youth Club, the Enoggera and Districts Historical Society and Mitchelton State School the opportunity to raise funds. Over \$900 was raised to support our local community. The day provided free entertainment for local families with jumping castles, music, face painting, cheerleading displays and a free screening of *The Lego Movie*.~~

~~I would just quickly like to take a moment to acknowledge this year's winners in the Can Do Awards. The Can Do Award went to Mick Ackery, creator of The Gap 4061 Facebook page and vice-president of The Gap Residents Association. Hero of the Year went to Chris Pemberton, the officer in charge of The Gap Police Station. The Senior of the Year went to Janet Dawson. Enlisting into the Army Reserves in 1982, Janet is a role model for junior soldiers and embodies the army's core values of courage, initiative, respect and teamwork. The Youth of the Year went to Ruby Hughes. In 2014, at the young age of 10, Ruby was invited to address the National Press Club in Canberra in an effort to help influence and effect change with the perception of what a deaf child is capable of achieving. The Volunteer of the Year went to Susanne Fleming. Susanne is a local mum, lawyer and former president of The Gap State School P&C. The Educator of the Year went to Marilyn Gordon. Marilyn is a full-time prep teacher at The Gap State School who was recently recognised for her teaching efforts with a nomination for the National Excellence in Teaching Award. Community Organisation of the Year went to Community. Community is a well-known not-for-profit organisation which has worked within the north-west community of Brisbane for over 34 years. Small Business of the Year went to the Ashgrove Dance Studio. They have been teaching Ashgrove residents of all ages to enjoy dance for over 50 years.~~

~~These awards were decided by popular vote by the local community, and I am pleased to say that over 1,200 people voted over 1,800 votes in this year's awards. I would like to acknowledge all of the nominees in these awards. All of them have done so much for our local area, and I would like to acknowledge all of them for their efforts. They do a great job, they are worthy of recognition and they make the Ashgrove electorate the great part of Brisbane that it certainly is. I applaud them all to let people know about the awards and to see nominees come forward for next year.~~

### ~~Stafford Traffic Forum~~

~~ Dr LYNHAM (Stafford—ALP) (9.23 pm): On 7 October I honoured an election commitment and held the Stafford Traffic Forum at the Stafford State School. It was a great evening. It was well attended and it was an important event for the people of Stafford as road traffic issues, especially~~