



Speech by

HARRY BLACK

MEMBER FOR WHITSUNDAY

Hansard 26 August 1999

QUEENSLAND BUILDING SERVICES AUTHORITY AMENDMENT BILL

Mr BLACK (Whitsunday—ONP) (3.23 p.m.): I commend the Minister for the work that she has put into the Queensland Building Services Authority Amendment Bill. I think a lot of Queenslanders will be better off when this Bill is passed.

Security of payment for subcontractors in the building industry is a One Nation policy that we take very seriously. Subcontractors play an integral role in the building industry, and too often are left in the lurch by non-payment for work carried out on behalf of builders. Subcontractors are skilled tradesmen who provide a valuable service to the building industry. Subbies could be classed as the average hardworking Aussie making a living in his chosen trade. Many operate independently with maybe one or two employees and with the same responsibilities as any small business owner. We need them just as much as we need the builders. They go hand in hand to achieve the final result.

However, in past years, subcontractors have been placed in a very disturbing position because they are the ones in the industry who carry all the risks. In the event of business failure on the builder's part, there is no guarantee of payment for work carried out by the subcontractor. The builder still gets his money from the home buyer and the subcontractor gets nothing. The subcontractor, through no fault of his own, is left with a debt that he is forced to carry. He still has to pay his suppliers and employees, as well as carrying the added burden of his own lost wages. Many subcontractors have had to mortgage their homes or take out bank loans just to pay their debts.

Let me tell honourable members about a subcontractor who has been a concreter all his working life. He is a subbie who has had to endure loss of payment not once, not twice, but several times. He is now in his late 40s and still does not own his own home. Keep in mind that his home is no mansion, but an average run-of-the-mill home. The reason why this man does not own his own home after 30 years in the trade is because of default on payment.

He has been faced with many major losses—some to the tune of \$10,000 or more—where his only option was to sell up his home and start over again in order to gain the cash he needed in order to pay his debts. As a man of integrity he never went with a bill unpaid, and was forced to put his own family's financial welfare on the line.

These honest and hardworking people should not be thrown into these undeserving situations. They have had to make amends for builders' failures and non-payment for far too long. Changes have to be made and the balance between builder and subcontractor must be restored.

I am pleased to see that this Bill provides protection for subcontractors through the tightening of contract requirements, increased licensing requirements for builders, sanctions for those with bad financial habits and the allowance of a subcontractor to suspend work, without terminating the contract, in a situation where moneys due are not paid. The ability of a subbie to stop work until a payment is received is an important issue and allows subcontractors to minimise losses should payment fail altogether. The prompt payment provisions also aid in the plight of subcontractors, although small subbies—especially those in the domestic building area—currently work on a 30-day payment schedule.

The additional licensing requirements will no doubt benefit consumers and other members of the industry by providing greater safeguards against shonky builders. The requirements will surely be a disincentive for dishonest builders to leave the contractor in the lurch and will give the subbie greater ability to achieve payment.

The changes enacted by this legislation will hopefully provide a more accountable, more respectable and safer building industry for consumers, industry participants and investors. There has been some comment made by industry people with regard to this legislation, including some of those involved in the Scurr inquiry—an inquiry which produced many commonsense and practical approaches to transforming the building industry into an industry that is fairer and more secure for all.

It appears that there is some concern that the legislation still does not go far enough in protecting the bottom end of the industry—the subcontractors. In any other industry, there would be no excuses for failure to pay and there would be no excuses for the many problems that seem to gravitate around this industry. In a letter dated 14 August 1999, Arthur Scurr gave more examples of the effects of failures on head and subcontractors. He specifically comments on this Bill as follows—

"The nettle of Security of Payment is not grasped firmly yet as I hope you can see. Unless law on the matter is framed in terms of the definition of security as found in any dictionary, the result is doomed to continue to crash on the rocks of futility."

Perhaps this is an area that the Minister can address.

I commend the work of those in the industry and all the hardworking public servants who have worked hard for a long time to bring about this legislation in the interests of all participants in the Queensland building industry. I support the Bill.
