



Speech by

**Mrs J. SHELDON**

**MEMBER FOR CALOUNDRA**

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Hansard 13 December 2001

#### **SUBCONTRACTORS**

**Mrs SHELDON** (Caloundra—Lib) (10.28 a.m.): I again bring to the attention of the House the plight of subcontractors affected by the collapse of the building company Iagemasters on the Sunshine Coast. I put on record my thanks to the minister for his help in this regard. However, I think we need to look at what we are going to do about the issue of subcontractors and how they are continually financially victimised by the builders who go under. One of the suggestions I have is for subcontractors to be paid directly by the financial institution which is funding the developer. This could possibly be optional but would certainly work if all subbies were under the same regime. Possibly this could only apply to buildings or developments over a certain value and not individual residential homes but certainly to residential houses that are part of a large residential development.

The builders would still be the principal contractor and would appoint the individual subcontractors. Further, the builder would have to certify that the subcontractor had completed work either to an interim level or to completion. If the subcontractor then could send or email his account to the financial institution directly, he would be paid and would not have to rely on the builder paying him. It is at this stage that problems often occur when building contractors have either financial difficulties or are going under. It would certainly guarantee that the subcontractors were paid and that they were not a victim of financial mismanagement or worse by the builder. I have spoken to a number of people involved in the building industry in this regard who think that this concept certainly has merit. I will be discussing it further with the minister, because for once and for all we have to put in place something that is easy, that is workable and that does protect subcontractors from the problems they are currently facing.

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