



Speech by

Liz Cunningham

MEMBER FOR GLADSTONE

Hansard 11 May 2004

BUILDING AND CONSTRUCTION INDUSTRY PAYMENTS BILL

Mrs LIZ CUNNINGHAM (Gladstone—Ind) (7.50 p.m.): I rise to support the Building and Construction Industry Payments Bill. Building subcontractors have over a number of years expressed concern about their inability to have payments made in a timely manner. They are in a disproportionate position as far as negotiation is concerned. Small business, which relies heavily on its cash flow, finds it difficult to sustain itself over even the short to medium term without those on whom they rely for prompt payment doing so.

I found it interesting to read in today's paper—it is not necessarily a building services issue, but the principle is the same—allegations in relation to the Gold Coast council, which admitted that it had paid only 43 per cent of suppliers' bills on time in the past year. Its targeted benchmark was 95 per cent. It was stated that a painting contractor had to pay his staff out of his own pocket because the council did not settle its accounts. This contractor was really hurting but he was reluctant to complain. Chamber of commerce chairman Don Jones said the council's go-slow policy was 'not good enough'. He said—

Cashflow is critical for most small businesses these days and if payments are held up it can be enough to tip companies over the edge.

...

There really is no excuse for the council not to be paying its bills on time.

I know that this minister, in the period he has been Minister for Housing, and previous ministers for housing and public works before him know of businesses that have been quite successful small businesses—they are often family-run businesses—that have been sufficiently denied prompt payment that they have gone broke. It has been usually as a result of a larger company, a contractor, who could well afford to pay the bills on time withholding that payment. The current Minister for Housing and others have addressed this situation incrementally over time. This current bill is another step in that direction of addressing those concerns.

When the original bill was brought into the House last year I sent a copy of it to Sid Marr. I know that the minister would know Sid. Sid has been involved over many years in subcontractor issues. He held some concerns in relation to this legislation. What I seek from the minister is a commitment that if the theory of these changes does not match the reality—that is, that the process being put in place is more convoluted than expected or the time frames can, through mechanisms unforeseen at this point in time, be pushed out—he will re-examine the bill and remedy those circumstances.

Mr Schwarten: I am committed to doing it within 12 months. I told Sid that. He would be happy with that.

Mrs LIZ CUNNINGHAM: It is important, because sometimes the theory sounds really excellent but the reality is quite different. I thank the minister for that undertaking. I look forward to this giving some relief to those hardworking small businesses, usually family businesses, who do the work in good faith and who expect payment in order that they can pay people to whom they owe money. If they are not paid promptly, others suffer. I certainly commend the minister and his staff on the legislation.

