



Speech by

Neil Roberts

MEMBER FOR NUDGE

Hansard 11 May 2004

BUILDING AND CONSTRUCTION INDUSTRY PAYMENTS BILL

Mr NEIL ROBERTS (Nudgee—ALP) (8.13 p.m.): As a number of speakers have said in this debate, we are dealing with an exceptionally important industry. As outlined by the member for Ferny Grove, around 67,000 businesses rely on the building and construction industry for their survival. Of course, that includes many employees who also have a stake in this issue before the House tonight.

As is the case with many issues in our society, it is often the behaviour of the minority that establishes the principles and the need for governments to intervene, particularly when it concerns economic activity in the community. The building and construction industry is no exception. It has been said by many members—and it is true—that the majority of people involved in this industry conduct themselves appropriately. In relation to payment, they pay on time.

Mr Schwarten interjected.

Mr NEIL ROBERTS: That is the majority. The underhanded actions of a few have led to the need for further regulatory reform of the subcontractors' payment scheme in this industry.

All of us have either met or know someone who is directly involved in the building and construction industry, whether they be plumbers, plasterers, electricians and so on. It is a tough business and it is very competitive. In general, those people work on very tight margins. Therefore, cash flow is an important aspect of sustaining their businesses, not just for their own benefit but also in terms of the payment of their employees.

As I have indicated, the underhanded behaviour of some business participants has caused significant harm to and, in some cases, insolvency of businesses. Of course, that impacts not just on those businesses but also on their employees.

Over the past couple of years, the government has introduced a raft of legislation to assist subcontractors to get their money. For example, we have introduced tough financial standards for contractor licensing. We have introduced five-year bans for people involved in the financial failure of a builder, life bans for second or subsequent failures, and asset stripping for grossly defective building work. We have also established the Commercial and Consumer Tribunal which has improved the processes for people in the industry to resolve disputes. Despite these reforms, even the best of processes will falter if unscrupulous people set their minds to it. That is partly the reason behind the reforms that we are seeing here tonight.

This bill provides for a rapid adjudication scheme as an alternative to the current proceedings under the Subcontractors' Charges Act, which sometimes can be very costly and time consuming. As outlined by the member for Keppel, who has had a direct experience in this area, sometimes it can be quite a nightmare and can get bogged down in legal argument and delaying tactics. Under this bill, subcontractors will have to choose the process that they want to follow, either the new process or that under the Subcontractors' Charges Act. The legislation is substantially based on the New South Wales legislation which, the evidence to date suggests, has improved the resolution of the payment issue in that state, essentially by changing the culture and the relationship between the parties to those disputes.

A number of other speakers have detailed quite extensively the provisions of the bill. I will not cover that in anymore detail. It has been supported by the major stakeholders within the industry. Accordingly, I commend the bill to the House.