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Subbies urged to leave state if legislation changes ✓



Bill Hoffman | 14th Jun 2014 12:00 PM



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AAP

BUILDING subcontractors should move interstate or face the prospect of working for nothing if changes mooted to the Building and Construction Industry Payments Act are approved later this year, Sunshine Coast industry insiders say.

Subcontractor consultant Chris White said at a time when subbies were reeling from the \$69 million collapse of Walton Construction last October, the State Government was moving to weaken the payments Act and making it harder for them to claim money owed.

It is a view shared by Malcolm Varty, a director of Building Construction and Civil Business Management, who estimates roting in the industry in Queensland amounts to about \$1.25 billion annually.

Mr Varty said the industry suffered from white collar criminals posing as construction companies.

"This is the biggest robbery going on in the country and not one detective is on the case," he said.

"We don't hear about the multiple suicides that occur when subbies lose everything."

Mr White accused Housing Minister Tim Mander of being influenced by the Master Builders Association in moving to end a system that had worked successfully since 2004 and which was in place in most other states.

Proposed changes to the legislation would have the Queensland Building and Construction Commission taking over registration of adjudicators and appointing them to cases. Larger claims would have a longer response time before they were lodged for adjudication.

Under the current system, authorised nominees appoint adjudicators to consider disputes.

Once a claim has been lodged, contractors have 10 days to pay the subcontractor or offer a payment plan. Failing that, the matter is passed on via the authorised nominee and a determination is usually available within a month.

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Mr White said contractors were quoting on skinny margins to win work and then screwing their profit out of their subbies.

"What Walton did, everyone does," Mr White said.

"They move in different directors but it's the same phones, cars and offices."

Mr White said if contractors were allowed three months to respond to claims of more than \$750,000, as proposed, subbies would be bankrupt before disputes were resolved.

"It will be a return to the old days," he said.

"Why get rid of a system that works? Only those forced to pay what they owe don't want it.

"Tim Mander has listened to the wrong end of town. He certainly hasn't listened to subbies."

The changes do have the support of Housing Industry Association executive director Warwick Temby and Kathy MacDermott, of the Property Council of Australia's Queensland branch.

Mr Temby said the reforms provided for greater transparency and fairness in the adjudication process, and Ms MacDermott said the reforms meant a "rebalance of equity and responsibility for all parties involved in the transaction".



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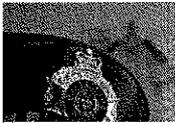
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