



Speech by

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Hansard 21 February 2002

SUBCONTRACTORS' CHARGES AMENDMENT BILL

Ms NOLAN (Ipswich—ALP) (6.24 p.m.): I rise to speak in support of the Subcontractors' Charges Amendment Bill, which I consider to be an important piece of legislation to provide genuine protection to subbies. I want to take the opportunity to congratulate the minister in charge of the bill and Minister Spence, who spoke earlier, because before the re-election of the Beattie government she had responsibility for the BSA and the relevant building industry legislation. Those ministers' commitment to reforming the building industry will enhance the ability of subcontractors to secure payment while delivering broader benefits for Queenslanders working in the building industry, particularly subcontractors.

The Beattie government's Better Building Industry reforms have set the benchmark in Australia for how to run a licensing and security of payment regime. These reforms outlawed 'paid if paid' contract provisions, prescribed 35-day maximum payment terms for subcontractors and introduced provision for upper limits on retentions to be held by builders. In addition, these reforms put in place the most stringent financial viability tests and checks of any licensing system in Australia. To support this, the government also introduced five-year bans from the industry for anyone involved in an insolvency and introduced provisions to publicly examine company officers and their accountants in relation to a business failure. Greater consumer protection measures through the Domestic Building Contracts Act of 2000 have also been introduced.

The changes included in the legislation set new standards of transparency in the industry by introducing a maximum level of contract payments, setting out details to be contained in contracts and prescribing the minimum information with which consumers are required to be provided. Additionally, the Queensland Building Tribunal can now hear commercial disputes, providing subcontractors and contractors with a cost effective mechanism by which to resolve their disputes. The amendments to the Subcontractors' Charges Act of 1974 currently before the House reflect the minister's priority to improve security of payment for subcontractors.

There has been criticism within the industry for some time regarding the complexity of the act. The amendments will address a number of these complexities while removing some of the ambiguities in the industry as a result of legal decisions. In addition to making the act more user friendly, the amendments will also expand the moneys on which subcontractors can lodge a charge to include securities held for securing the performance of the contract. This expansion is only to the extent that other moneys do not satisfy the charges. This amendment will greatly enhance the ability of subcontractors to secure their full contractual entitlements.

Other amendments contained within the bill consolidate the accepted practice of leapfrogging and prevent charges from being struck out merely on the basis that a dispute procedure has not been completed. The bill will significantly enhance the relevance of the act to meet the needs of Queenslanders working in the construction industry. Once again, I congratulate the two ministers on this bill and I commend the bill to the House.