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Builders Do Pay Sub-Contractors

The Master Builders Association believes security of payment problems are being dealt with adequately and, with few exceptions, builders are paying sub-contractors their due entitlements in a timely manner.

“It is not in any builder’s interests to delay payments owed to subcontractors because this would risk losing their loyalty and ongoing work,” Master Builders Director Michael McLean said.

“The biggest problems in the current difficult economic times are clients having unrealistic budgetary expectations for their construction projects, trying to screw down builders’ tender prices and using non-standard contract documents.

“Everyone in the contractual chain from builders, specialist contractors down to building workers deserve to be paid their legal entitlements. But there also needs to be an effective mechanism to deal with disputed or unreconciled claims.

“WA’s rapid adjudication process was established more than 13 years ago to deal with disputed payment claims and late payments but has not been utilized very often by sub-contractors. Better education is needed to remedy this problem.

“Master Builders acknowledges that WA’s security of payment laws can and should be improved. We therefore support the McGowan government’s establishment of an Industry Advisory Group, headed by barrister John Fiocco and involving all key stakeholders, to come up with a better system.

“It is highly inappropriate for Sub-Contractors WA, which is involved in the Fiocco Advisory Group as a representative of subcontractors, to complain about the speed with which the group is operating.

“Sub-Contractors WA Chairwoman Louise Stewart is tarnishing the reputation of the building and construction industry with some of her comments, which have the real potential to prejudice the work opportunities of many good sub-contractors.

“Master Builders, which has more than 400 subcontractor members, is confident that the Fiocco Advisory Group will come up with a fairer and better deal for them but unless the whole procurement process improves to ensure builders are treated fairly, all parties will ultimately suffer. Commerce Minister Bill Johnston has requested a report and recommendations from Mr Fiocco by the end of October and we believe that will be achieved.

“Most informed people in the industry realize this is a complex issue which requires careful consideration rather than a knee jerk reaction to emotive media publicity,” Mr McLean concluded.

For more information please contact:

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