

Industry welcomes changes to Security of Payment laws if they improve payments and cut red tape

The State Government's announcement of changes to Security of Payment legislation has been welcomed by Master Builders SA but their ultimate success is entirely reliant on details not yet seen by industry.

Small Business Minister Martin Hamilton-Smith announced today he would introduce the changes into Parliament nearly one year after industry was consulted about them. According to the media release, the changes include a new criminal charge and the publication of adjudications on payment disputes.

Master Builders SA Chief Executive Officer Ian Markos said industry warmly welcomed a number of the proposed changes and had argued for many of the improvements, but would have to wait until the introduction of the Bill into Parliament to assess whether the details will actually help industry.

"There are promising reforms here for an industry that is reliant upon timely cash flows, but we will need to see the Bill itself to see whether the measures will help the sector or just create more red tape without guaranteeing subcontractors get paid on time," he said.

"Building and construction is a vital industry and, as the Minister said, employs nearly 250,000 people creating \$34 billion of value every year. It's a complex industry – we can only hope the Minister is willing to listen if the measures proposed end up slowing payment to businesses rather than speeding them up.

"It is an essential piece of legislation that is vital to the health of the industry, so we are keen to see the Bill so we can talk openly about what industry sees as its positives and shortcomings.

"There is one measure of success: whether it will improve cash flow in practice. We sincerely hope the year-long wait is worth it."

Master Builders SA's August 2016 submission to the review of the legislation is available here:

http://mbasa.com.au/_files/d/46024/Master_Builders_SA_-_Submission_on_Security_of_Payment_Consultation_Paper_-_August_2016.pdf

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