



**CIVIL CONTRACTORS
FEDERATION**

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PEAK CIVIL CONSTRUCTION BODY WELCOMES PAYMENT TIME REVIEW

The Civil Contractors Federation (CCF) has today welcomed the announcement by the Australian Small Business and Family Enterprise Ombudsman (ASBFEO), Kate Carnell of a review into payment times, to measure the effects of late or extended payment practices on the cash flow of small businesses and family enterprises in Australia.

Chief Executive Officer of the Civil Contractors Federation (National) Chris Melham said: “the Federal Government has recently released a Report into Australia’s Security of Payment Laws aimed at addressing delayed and disputed payments for small businesses involved in subcontracting in the building and construction industry. I look forward to the results of the report being incorporated into the ‘Payment Time Review’ being conducted by Kate Carnell.

“Delayed and disputed payments to small contractors is a significant problem in the civil construction sector with the Murray report making 86 recommendations aimed at enhancing protections to ensure subcontractors get paid on time for work they have done, regardless of which state or territory they operate in”, Melham said.

Six major issues were identified with the current state-based security of payment legislative regimes that lead to delayed and disputed payments that include:

1. With the exception of Queensland, none of the existing state and territory legislations provide any effective ‘security’ of payment where a party higher up the contractual chain becomes insolvent.
2. The legislative regimes are unduly complex, and this has discouraged their usage and caused confusion.
3. There are questions around the process of appointing adjudicators; the adequacy of qualifications, training and grading of adjudicators; and the variable quality of adjudication decisions.
4. There is an imbalance of bargaining power within the contractual chain and the practice of passing on contractual risks has resulted in the imposition of unfair contract terms that operate to prevent payment to the party that has carried out construction work.
5. There are suggestions that acts of intimidation and retributive conduct by head contractors discourage subcontractors from pursuing their entitlements.
6. Late payment continues to be a major issue for the construction industry.

ASBFEO has a five-minute survey for small and family businesses to fill out so they can get a better idea of the state-of-play on payment times and practices in Australia. The CCF is encouraging civil construction sub-contractors to participate in the review by completing the ASBFEO survey located at <https://www.asbfeo.gov.au/>

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About the Civil Contractors Federation

The Civil Contractors Federation (‘CCF’) is the peak employer body representing over 2,000 companies engaged in civil construction in every jurisdiction of Australia. CCF Members are responsible for the construction and maintenance of Australia’s infrastructure, including roads, bridges, pipelines, drainage, ports and utilities. CCF members also play a vital role in the residential and commercial building construction industry by providing earthmoving and land development services including the provision of power, water, communications and gas.

Constructing Australia’s Infrastructure