

Media Release

NECA welcomes proposed insolvency laws as ‘hand up rather than hand out’

The National Electrical and Communications Association (NECA) today welcomed the Federal Government’s proposed changes to insolvency rules, which will give businesses the opportunity to restructure and rebuild in response to the economic turmoil caused by the COVID pandemic.

Oliver Judd, NECA NSW/ACT Executive Director and NECA spokesperson said:

“We know a lot of businesses are doing it tough and today’s announcement is a move in the right direction which will provide companies breathing space to rebuild and restructure as they respond to the pandemic – but this should be a last resort.

“What’s important now is powering up the economy by accelerating major infrastructure projects as well as by unlocking opportunities for smaller projects that are shovel ready now – not in six months’ time. Many electrical and communications contracting businesses are relying on these projects to start now, to protect jobs as JobKeeper is dialled down and to avoid companies relying on changes to insolvency rules.

“While today’s announcement is a step in the right direction, government must ensure it doesn’t give an excuse to unscrupulous operators to not pay subcontractors. We know that late payments are a scourge on the construction sector and NECA has long advocated for changes, including the adoption of statutory trusts, to ensure electrical contractors get paid in full and on time.”

The Federal Government’s full announcement can be seen [here](#).

NECA’s Pre-Budget Submission, which outlines a series of policy measures that would stimulate the economy, support business and protect jobs, can be seen [here](#).

NECA’s Industry Impact Survey, which provides insights into the impact of COVID, can be seen [here](#).

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