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Media Release

Infrastructure projects need safeguards to protect subcontractors

The risks of non-payment born by subcontractors are highlighted again today with another construction company [going into voluntary administration](#) leaving subcontractors out of pocket.

With \$87 billion of infrastructure projects being rolled out across NSW alone in the next four years, there are currently no workable or reasonable safeguards to protect subcontractors' businesses.

"NECA encourages the NSW Government to accelerate the introduction of the recommendations made in the recent Murray Review of Security of Payments laws. In particular the introduction of statutory trusts for all construction projects," said Suresh Manickam, CEO NECA.

"Our members are often at the end of the line when it comes to payments and therefore particularly vulnerable. We are talking about small, mum and dad businesses who employ tradesmen and women and who support apprentices. It is simply unjust and inequitable to have the current laws in place. These family owned businesses simply cannot afford to take these types of losses and continue to be de facto financiers for poor performing constructors," he said.

NECA has frequently advocated for harmonisation and the streamlining of security of payment legislation since the current multi-jurisdictional system does nothing to support investment, employment growth and efficient economic activity.

We recommend:

- Harmonisation of the security of payment legislation as soon as possible.
- Implementation of the 86 recommendations in the Murray Review
- Introduction of a statutory trust model as outlined in the Murray Review recommendation 85.

"It is simply not acceptable that Australian businesses are put in this position and we urge the NSW Government to take prompt action," said Manickam.

-ENDS-

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Notes for editors

1. *NECA is the peak industry body representing the interests of electrical and communications contractors Australia-wide.*
2. *Membership comprises over 5,300 contracting companies with over 50,000 employees.*
3. *NECA wholly-owns Registered Training Organisations and Group Training Organisations in NSW, VIC & WA, ACRS (a national cabling registrar) and has a joint venture with NESS Super in NSW.*
4. *NECA employs around 2,000 apprentice electricians, training a further 2,000.*