



**Matt Kean**  
Minister for Innovation and Better Regulation

## **MEDIA RELEASE**

Friday, 24 August 2018

### **PAYMENT LAWS GIVE SECURITY TO SUBBIES**

Sub-contractors would be better protected from late payments and insolvencies under NSW Government reforms being released for community feedback today.

Minister for Better Regulation Matt Kean said the proposed *Building and Construction Security of Payment Act* reforms aimed to ensure this important sector continued to grow and strengthen across the State.

“The construction industry is a vital contributor to growth in NSW, and employs more than 300,000 people,” Mr Kean said.

“Too often though, sub-contractors are shortchanged or missing pay altogether when building and construction companies go out of business or mismanage their affairs.

“In the last decade, the building and construction industry contributed to around 20 per cent of insolvencies nationally, with amounts owed ranging from \$1 million to \$20 million.

“I want to empower small business, to ensure they aren’t left out of pocket.”

The Government has also released a consultation paper on the creation of statutory trusts that building and construction companies would contribute to during a development, quarantining money that would be used to pay their sub-contractors.

Contractors would be able to make a payment claim at least once per month for work within that month, and a final claim where a contract has been terminated.

Under the reforms, due dates for payments from head contractor to subcontractor will also be shortened from 30 to 20 business days, and for payments from principal to head contractor shortened from 20 to 10 business days.

Mr Kean said consultation was an important part of the process.

“We want to hear the views of the industry and the community, and will consider all of that feedback before any final decisions are made,” Mr Kean said.

The proposed amendments follow a complete review of the Act, which commenced in December 2015, and extensive consultation with industry stakeholders.

For more information, and to provide feedback, visit [fairtrading.nsw.gov.au](http://fairtrading.nsw.gov.au)

**MEDIA: Brooke Eggleton | 0437 472 455**