



Matt Kean
Minister for Innovation and Better Regulation

MEDIA RELEASE

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PROMPTER PAYMENTS FOR SUBBIES

Building contractors and sub-contractors will now enjoy more financial security and prompter payments for their work, under reforms introduced to Parliament today.

Minister for Better Regulation Matt Kean said subbies were often left out of pocket, adding stress to their families and hurting the NSW economy.

“Subbies can go months without pay, not because they haven’t done the work, but because the contractor above them can take months to pay them,” Mr Kean said.

“Now they can make a payment claim at least once per month for work completed within that month, which gives them more financial stability and a stronger cash flow to grow their business.

“These changes also encourage contractors further up the chain to better manage their money, and not leave subbies in the lurch.”

The changes include:

- Reducing the maximum time a head contractor has to pay a sub-contractor from 30 business days, to 20 business days;
- A new payment structure, so sub-contractors can make a claim at least once per month for completed work, and a final claim if a contract is terminated; and,
- Increased compliance and enforcement powers for NSW Fair Trading. For example, it will be able to physically enter a premises and inspect paperwork to ensure a company is complying with the law.

Mr Kean said the Government was continuing to consult on the potential for a statutory trust arrangement, which would quarantine money for paying sub-contractors.

“We’re going to do a regulatory impact statement, including a cost benefit analysis, which is the next step in assessing the full impact of that option,” he said.

“The industry has provided some fantastic feedback so far and we’re doing further work to identify the best option.

“This reform package is the result of a comprehensive review of the Act, and included close consultation with both head contractors and sub-contractors. We wanted to give them a voice to make sure we get this right.”

For more information on the reforms, visit www.fairtrading.nsw.gov.au.

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