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From: John O'Neill [REDACTED]
Sent: Monday, 17 September 2018 4:07 PM
To: Security of Payment 2018
Cc: [REDACTED]
Subject: Proposed Changes to the Building and Construction Industry Security of Payment Act 1999 - Public Consultation

Categories: Orange Category

I realise that you have an enormous amount to cover and thank you for your work. I am a small builder one of thousands of other small builders. I am also the past president of the Manly Warrighah Master Builders and sit on the NSW Council of Management for the MBA

The government has and is in the process of developing a reform package to improve the operation of the act and facilitate cash flow along the chain, BUT the chain is blocked at the start of the cash flow chain between client and head contractor.

What is a surprise is that the only entity that is not covered in the cash flow chain is the only entity that requires a builder licence to work....WHAT ??? that does not make sense.

This is interesting and with all you have to cover with your job you may not be aware of these facts

Does a head contractor require a builder's licence to build?

Commercial work offices shops garages? No,
Is the head contractor covered by the SoP act? YES
High rise residential? No
Is the head contractor covered by the SoP act? YES
Factory complex's? No,
Is the head contractor covered by the SoP act? YES
High rise office complex? No,
Is the head contractor covered by the SoP act? YES
A new parliament house? No,
Is the head contractor covered by the SoP act? YES
A \$25000 alteration for any Home Owner? YES,
this is the only YES
Is the head contractor cover by the SoP act? NO
This is the only NO

Seriously?? that does not make sense ?????????? the only entity requiring a builder's licence to work is not covered by the security of payment act.

It is the only NO where the cash flow along the construction chain is stopped.

How is it that only entity that needs a builders licence to work is not covered by the security of payment act for BUILDING ???

In the review of this act please include me and the approx 16000 other builders as part of the SoP and give the licence builders the same security as unlicensed builders, by including Home owners in the act as part of the cash flow because this is where the cash flow starts.

A simple example is that a Home owner engages a builder to do work, the work is completed, and the owner does not like the painting. The painting was done by a subcontractor to the builder. The home owner chooses not to pay the builder. The builder does not have a claim under security of payment to the home owner BUT the subcontractor does have a claim against the builder. The outcome is that the builder must pay/fund the subcontractor and not receive payment for the work rather the builder must pursue the client. This is a simple example however this is how it works.

Once again thank you for your work it is a thankless job at times

Warm regards

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