

18 September 2018

Mr Martin Hoffman
Secretary
Department of Finance, Services and Innovation
Locked Bag 2906
LISAROW, NSW 2252

via email: securityofpayment2018@finance.nsw.gov.au

Dear Mr Hoffman,

Re: Building and Construction Industry Security of Payment Amendment Bill 2018

The Urban Development Institute of Australia (UDIA) NSW is the leading industry body representing the interests of the urban development sector. UDIA NSW advocates for better planning; timely and affordable housing, and the building of vibrant communities to increase local job opportunities.

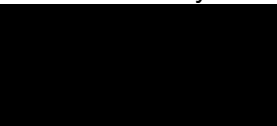
UDIA NSW wishes to provide in principle support for the proposed reforms to better secure payments in the building and construction industry by introducing 'deemed' statutory trusts into the *Building and Construction Industry Security of Payment Act 1999*.

When used pragmatically these reforms may help ensure that work is continued to be progressed even when their disputes. UDIA NSW acknowledges the work undertaken by the NSW Government to minimise the administrative and regulatory burden of the reforms.

We recognise a 'deemed' statutory trust would reduce the ability of business to manage cashflow and that is an intended consequence of the reforms. We understand it may take time for industry participants to change practices, and transitional provisions will be critical to minimise disruption. Given the fragile state of the NSW residential market, UDIA NSW recommends caution as to the timing of the introduction of these changes, so they do not support a cliff-fall in supply.

We would be pleased to participate in further conversations on the development of the supporting regulations. Should you wish to further discuss any of the above, please contact Sam Stone, Manager, Policy, at [REDACTED] or [REDACTED]
[REDACTED]

Yours sincerely



Steve Mann

Chief Executive