

19/09/18      Submission

Response to the consultation paper:

Securing payments in the building and construction industry – a proposal for ‘deemed’ statutory trusts.

Att: NSW Department of Finance, Services and Innovation

My name is Kathryn McMullan and I am one of the subcontractors that were affected by the lack of payment security within the Civil Construction Industry. My family along with several other families suffered 12 months on financial hardship due to insufficient governance on the Woolgoolga to Ballina section of the Pacific Highway Upgrade – specifically Wave 5A.

Our company was fortunate enough to receive a Financial Assistance Package from the NSW Government in relation to the Ostwald Broths Pty Ltd collapse and now liquidation and I am pleased that action has been taken to rectify many of the destructive practices used within the industry.

I believe we have an opportunity to create change within the industry and prevent further scenarios like the Wave 5 Subcontractors, however this behaviour can only change if we implement correct reforms that protect all contractors regardless of the dollar value.

The trust should be managed by an independent government agency not the participating company within the contractual chain to ensure that the tax payer’s money is spent responsibly.

There should be a requirement for a separate trust bank account and trust records should be subject to external auditing. There should be constraints on the trustee from withdrawing funds for its own use to ensure protection of subcontractors not being paid.

I think there are many positive proposals within the consultation paper and I believe the trust concept is a step in the right direction but we need to protect all subcontracts and small business so further discussion is imperative to ensure the new reforms are correct for this industry.

Yours faithfully,

Kathryn McMullan – G McMullan Contracting Pty Ltd