

# SUBCONTRACTORS ALLIANCE

Member of the Queensland Ministerial Construction Council

Member of the Australian Building Construction Commission Security of Payment Working Group



19 September 2018

Security of Payment: Consultation Paper  
Department of Finance, Services and Innovation  
Regulatory Policy Branch  
Locked Bag 2906  
LISAROW NSW 2252

Email: [SecurityofPayment2018@finance.nsw.gov.au](mailto:SecurityofPayment2018@finance.nsw.gov.au)

## Introduction

The Subcontractors Alliance (SA) was instrumental in having the security of payment amendment added to the ABCC Legislation and is a member organisation of the ABCC Security of Payment Working Group. Mr John Murray AM was appointed to undertake a review of existing state based security of payment laws; to report and to make recommendations.

It is our view that the Murray Review was the most comprehensive review ever undertaken in Australia regarding security of payment and the resulting recommendations are the most comprehensive and meaningful with respect to the proper meaning of 'security of payment'.

## Influence

It is also our view that security of payment in the Australian Building and Construction Industry exists in name only.

Historically and universally recommendations for proper security of payment in the Building and Construction industry have been watered down, ignored and rendered meaningless from influence exerted by the powerful beneficiaries of the financial destruction rained on construction industry small business subcontractors.

The result of that influence over security of payment laws has bred a main contractor aristocracy that refuses to pay its way and as a consequence has condemned the contractual chain to a 21<sup>st</sup> Century form of construction industry serfdom.

Fifteen (15) billion dollars is wrongfully withheld annually from 367,000 Australian subcontractors and their 1,000,000 employees who comprise the 'engine room' of the Australian building and construction industry.

That influence must be strongly resisted when considering '*Securing payments in the building and construction industry*' in NSW. The use of trusts as recommended by John Murray AM to secure and quarantine the revenue of this huge sector of the building and construction is now essential.

**(1) Response for “deemed” statutory trust consultation.**

Our organisation supports the implementation of the recommendations contained in the *Murray Report* in full. It is vitally important that there is no departure from these recommendations.

With that in mind and to save duplication *the Subcontractors Alliance* fully supports the answers; opinions and recommendations made by Mr John Murray AM to this consultation.

**(2) Response to Exposure draft Bill**

Attn: Ms Katie Harbon,  
Policy Manager,  
Better Regulation Division Department of Finance, Services and Innovation  
McKell Building,  
2-24 Rawson Place  
Sydney NSW 2000

Again to avoid duplication *The Subcontractors Alliance* fully supports the answers; opinions and recommendations made by Mr John Murray AM with respect to the Exposure Draft Bill.

Respectfully submitted

Les Williams

Spokesperson

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