

24 February 2016

Security of Payment Act Review  
Fair Trading Policy  
PO Box 972  
PARRAMATTA NSW 2124

Sent via email to: [policy@finance.nsw.gov.au](mailto:policy@finance.nsw.gov.au)

Dear Sir/Madam,

Master Electricians Australia appreciates the opportunity to respond to *the Building and Construction Industry Security of Payment Act 1999* discussion paper.

Master Electricians Australia (MEA) is a dynamic and modern trade association representing electrical contractors. A driving force in the electrical industry and a major factor in the continued success and security of electrical contractors, MEA is recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. The organisation's website is: [www.masterelectricians.com.au](http://www.masterelectricians.com.au).

Electrical contractors working on building projects are, for the most part, subcontractors. Following numerous reports from our members of head contractors failing to return retention monies for completed work, MEA has lobbied strongly for a retention money trust account system to be implemented. We applaud the New South Wales for taking the steps to introduce such a system.

As the reforms to security of payment laws are refined, we urge the NSW Government to apply the new laws regarding a retention money trust system to all construction projects. Smaller contractors in particular who work on residential projects can least afford to have retention monies held unfairly by principal contractors for a protracted period of time. Extending the application of the new laws to residential projects will preserve the right of all subcontractors' in the construction industry to fair and prompt payment.

In the interests of all construction industry participants, MEA would also ask the NSW government to encourage all state and territories in Australia to adopt similar laws in relation to security of payment. This level of consistency would give confidence to contractors working across state lines that they are abiding by their obligations as well as ensuring security of payment for all industry participants.

Yours sincerely,



Jody McGann  
State Manager – NSW/ACT