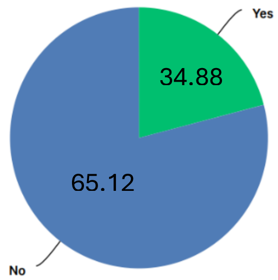
Security of Payment Industry Survey

A 2025 industry survey on security of payment[1] found non-payment of subcontractors remains a critical issue across the electrical, fire, HVAC and plumbing construction sectors.

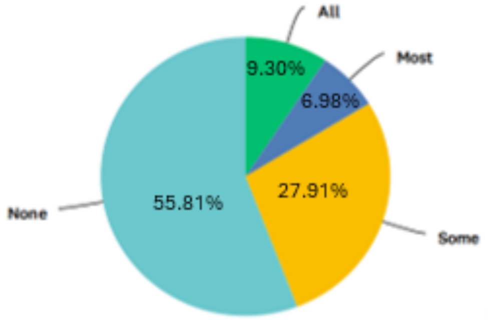
Over 60% of surveyed respondents identified that in the last 5 years they had been unpaid due to contractor insolvency.

Unpaid subcontractors were from a mix of commercial and residential sectors (or both). Of these, 65% responded they did not receive any of the money owed. Retention money contributed to non-payments, with 44% of respondents stating that at least part of the amount owed was retention money.

Did you receive some of the money



What part of the amount unpaid was retention money?



Of those with amounts unpaid, 21% were unpaid were by a residential builder.

Additional details from the survey include:

33% were owed up to $10,000. Another **33%** were owed up to $50,000 and an additional **21%** of respondents were owed up to $100,000.

35.5% were **not aware** of their rights and legal processes. **Less than 10%** responded 'yes' to whether they found the legal process / legislative framework easy to understand and follow. The **majority** of respondents did not find the legal process easy to understand.

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[1] Joint survey of industry associations conducted by MEA in conjunction with MPAQ, NFIA, AMCA, FPAA, ACIF and ECA WA.

Respondents were given the option of providing a comment on the impact of non-payment. Responses include:

- *Mental health, marriage breakdown. Business significantly struggled.*
- *Stress, bad cash flow, less profit, HR issues*
- *Very stressful and frustrating, particularly when we work very hard in good faith and not be paid for reasons unknown. This has also impacted our personal finances.*
- *Reduced profits, restriction on business activity.*
- *Large time loss in follow ups*
- *Indignation and fury that he (owner of business that didn't pay subcontractor) was allowed to start a new business with no ramifications whilst we were substantially out of pocket.*
- *Frustrated and angry about doing the right thing by others and not getting same in return.*
- *Loss of profit margin and reduction in cashflow*
- *The main concerning point is that when the process starts to collect overdue payments from this contractor, it can actually be used against you when it goes into liquidation as the liquidators have rights to those funds you gained under the pretense that you were aware of the financial position and the funds are part of the liquidated asset collection*
- *Losing $100k in the first 18 months of business is devastating but we recovered. Currently owed 20k from residential builder, coming up to 2 years so here we go again.*
- *It had me stressed somewhat. But only made me watch more carefully who we work for and to hold onto certification till all invoices have been paid in full.*
- *Was quite stressful with my directors and tendering for future jobs for builders*
- *Money gone*
- *I became very stressed*
- *Developed trust issues with outside contractors without formal training*
- *Financial stress for the business to cover materials and labour costings*

Find out more about the policies MEA is promoting to improve security of payment for subcontractors here.