

Industry summit welcome, but subbies cannot be left behind

5 April 2023

The National Electrical and Communications Association (NECA), wish to extend their sincere congratulations to the Hon. John Pesutto MP Leader of the Opposition in Victoria, on hosting a successful industry summit, drawing the Victorian Government's attention to insolvencies and the impacts they have on the building and construction sector.

Mr Pesutto's call for the Victorian Government to engage with the sector, could not have come at a more critical time.

While the announcement of the summit is greatly welcomed by industry, NECA wishes to highlight the importance of ensuring subcontractors, who represent 85% of workers on construction sites, have a voice in these discussions.

Recent insolvencies across the country reflect conditions facing the industry that are leading to unprecedented risk of financial stress, insolvencies, job losses and reputational damage.

Such pressures often go beyond the material impacts and affect the wellbeing of business owners, their employees, and their families.

It is morally unacceptable that subcontractors do not receive payment for the work that they do.

These are often small and medium Victorian businesses that subsequently suffer job losses and extreme economic hardships.

Whilst Security of Payment laws have been enacted by jurisdictions, the legislation in Victoria is simply inadequate in protecting the rights of everyone in the contractual chain.

More must be done by the Victorian Government to shift this culture through laws that protect the industry to deliver on the construction commitments made by both private and public sectors.

The Victorian Government is currently consulting on aspects of Security of Payment reforms, with the inquiry looking at the mechanisms currently in place for subcontractors to secure payments, along with opportunities for improvements in the law.

This legislation, however, cannot wait and does not need to wait.

Unfortunately, in February, the number of insolvencies nationally already exceeded that of the whole of last financial year, and we have months to go.

NECA urge the Victorian Government to take immediate action and implement Security of Payment reforms including the introduction of statutory trusts, in line with the Murray Review.

The construction sector is hurting, people are losing their livelihoods and the Victorian Government has an obligation to act.

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Representing over 6,500 contractor businesses and upskilling more than 10,000 people annually, the National Electrical and Communications Association (NECA) is the peak industry body representing Australia's electrical and communications contracting industry. NECA also leads a consortium of subcontractor associations through the National Subcontractors Forum, and actively advocate for a range of reforms in support of not only electrotechnology but the broader building and construction sector.

Further Information

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NECA has been very active in elevating and reminding the industry of the critical role of the subcontractors in the overall construction supply chain.

In line with this, NECA wishes to congratulate the Hon. John Pesutto MP Leader of the Opposition in Victoria, on hosting a successful industry summit, drawing the Victorian Government's attention to insolvencies and the impacts they have on the building and construction sector.

Mr Pesutto's call for the Victorian Government to engage with the sector, could not have come at a more critical time.

The announcement of the summit is welcomed by industry, however the importance of ensuring subcontractors, such as electrical contractors to have a voice in these discussions is paramount and something that needs to be considered more as the discussions mature.

Read media release here:

eNews

Subject line: NECA pushes the need for subbies to be heard

Title: NECA pushes the need for subbies to be heard at the Industry Summit

NECA wishes to congratulate the Hon. John Pesutto MP Leader of the Opposition in Victoria, on hosting a successful industry summit, drawing the Victorian Government's attention to insolvencies and the impacts they have on the building and construction sector.

Mr Pesutto's call for the Victorian Government to engage with the sector, could not have come at a more critical time as we see yet another successful builder gets beaten by the economic climate.

While the announcement of the summit is welcomed by industry, the importance of ensuring subcontractors, such as electrical contractors to have a voice in these discussions is paramount and something that needs to be considered more as the discussions mature.

NECA is advocating on behalf the industry as it is **morally unacceptable** that subcontractors do not receive payment for the work they do! We see how it affects the wellbeing of our community and their families.

We need to ensure our small and medium businesses that subsequently suffer job losses and extreme economic hardships are looked after.

We demand more must be done by the Victorian Government and introduce laws that protect the industry.

Read full media release here.

To share your views, write to us at advocacy.vic@neca.asn.au