

Opening Statement

Inquiry into non-payment of subcontractors

8 June 2023

Joint industry representation



Why urgent reform is needed

- 360,000 Victorians employed by the sector, 93% small businesses.
- 518 insolvencies in Victoria this financial year alone which makes up approximately 28% of all insolvencies nationally.
- Pressures extend beyond material impacts.
- Government has an obligation to act.
- Industry fairness for all participants in the building and construction sector.

Key Recommendations

- **Urgently enact stronger Security of Payment laws** through the implementation of the Murray Review as it applies to the state of Victoria
- Strengthen prohibitions for unfair contract terms, including prohibition of specified types of **unfair contract terms** which have become common in the construction industry.
- Victorian Government as a significant purchaser of goods and services in the state, must first and foremost ensure state government **procurement practices support fair contracting** down the construction supply contractual chain.