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22 December 2016

## **Processes to secure payments to contractors have improved**

Today the Auditor General tabled *Assessment of Progress to Improve Payment Security for Government Construction Subcontractors* that looked at the 17 recommendations made by the Small Business Development Corporation in 2013, to improve processes to reduce the risk of non-payment, and provide better dispute resolution processes.

The audit found that although processes that help ensure security of payments to contractors have improved across the board, none can guarantee that subcontractors on state government projects will be paid.

Auditor General Colin Murphy said there are a number of reforms underway to improve subcontractor payment security including agencies working together to introduce change in the industry, review of the Construction Contracts Act 2004, project bank accounts and a new code of conduct.

'The report makes a number of recommendations that will build on the reform and improve the processes around state government projects for both agencies and the industry so there is certainty about what is required from both with state government projects,' Mr Murphy said.

The audit also found all agencies generally have adequate procedures to ensure compliance with the *Building and Construction Industry Training Fund and Levy Collection Act 1990*.

There is scope for the Building and Construction Industry Training Fund to improve liaison with agencies to ensure easy identification of government projects in its system.

The Auditor General's report, *Assessment of Progress to Improve Payment Security for Government Construction Subcontractors* (Report 31 – December 2016), is available on the Office of the Auditor General website at [www.audit.wa.gov.au](http://www.audit.wa.gov.au)

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