

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Australian Securities and Investments Commission

Question No: 239

Topic: Trust arrangements in the event of company collapses

Reference: Hansard page 33 (19 October 2016)

Senator: Xenophon, Nick

Question:

[...] can you also reflect [...] on whether, in terms of insolvency in the construction industry [...] we ought to be considering the approach of some states in the US where there is money held in trust, in effect, or in escrow so that people such as subbies are not left in the lurch.

Answer:

Law reform is a matter for Government.

ASIC notes that in December 2015, the Senate Economics Reference Committee delivered its report (Senate Report) titled, "*I just want to be paid – Insolvency in the Australian construction industry*". The report contains, inter alia, recommendations concerning a statutory construction trust arrangement, Project Bank Accounts and national security-of-payment legislation aimed at better protecting the interests of subcontractors.