

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2011-2012**

Outcome 2 - Schools

DEEWR Question No.EW0179_12

Senator Mason provided in writing.

Question

Bovis Lend Lease/Project Kendall Pty Ltd

It was also revealed in the Administrator's Report of 23 December 2010 that Project Kendall Pty Ltd had lodged several progress claims over a period of a few weeks with Bovis Lend Lease, with payments yet outstanding, however, during this period, subcontractors of Project Kendall Pty Ltd continued to work and incurred significant additional expenses from their own pockets; The money withheld by Bovis Lend Lease amounts to \$0.849m of unpaid invoices, \$0.3m retention and possible \$0.3m in unpaid project variations; a total sum of over \$1.4m; and Further, upon Project Kendall Pty Ltd entering into administration, Bovis Lend Lease have taken possession of unpaid goods and goods provided by unpaid subcontractors that cannot be repossessed for non payment, such as concrete piers, slabs and steel structures already constructed on site; Can the Minister advise how it will be ensured that Bovis Lend Lease will release taxpayers' money to the subcontractors who paid for these materials and did the work but remain unpaid?

Answer

Project Kendall is currently under the control of an Insolvency Practitioner. It is the role of the Insolvency Practitioner to investigate the company's financial affairs and report to its creditors as well as the Australian Securities Investment Commission.

At the request of the Minister, the Chair of the Building the Education Revolution Implementation Taskforce met with the NSW Catholic Block Grant Authority (BGA) to discuss possible options to assist the subcontractors.

The NSW Catholic BGA advised that the contract to undertake Building the Education Revolution works in NSW Catholic schools on its behalf was between Bovis Lend Lease (as Managing Contractor) and Project Kendall (subcontractor) and that it did not contain any provision that would allow the NSW Catholic BGA to pay the subcontractors direct.

The NSW Catholic BGA has advised that Bovis Lend Lease re-tendered the works and in most cases, re-engaged the tradespeople working on the projects.

Claims by subcontractors of Project Kendall for unpaid monies are appropriately managed by the Insolvency Practitioner through the Project Kendall insolvency process.