

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

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

**Outcome 2 - Schools**

**DEEWR Question No.EW0466\_12**

**Senator Mason asked on 2/06/2011, Hansard page 24.**

**Question**

**Project Kendall's**

Senator MASON: ...I have no doubt, Minister and Ms Paul, you are aware of the situation and Project Kendall's collapse in December of last year and the flow-on effect this has had on a large number of subcontractors many of whom now facing bankruptcy as a result. While I understand—I think the committee will understand it—that the Commonwealth is several steps removed from the whole process in fact, and I accept that, I note, Minister, your remarks and I think even, Senator Back, you said something similar to this or you have echoed concerns before about this. What are we doing? What concrete steps has the Commonwealth taken to ensure that this unfortunate situation is resolved and the subcontractors are paid and do not suffer consequences as a result of project Kendall's collapse? Senator Chris Evans: I will get the officers to give you an update but I do want to make the point very clearly that these things are not as a result of the BER program.

**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.