

From: Keppel Electorate Office <Keppel@parliament.qld.gov.au>
Sent: Tuesday, 16 August 2016 1:58 PM
To: [REDACTED]
Subject: Departmental advice

Hi [REDACTED]

Re your email concerning JM Kelly.

The department has provided the following advice:

- On 23 December 2015, the Department of Education and Training (DET) entered into a contract with JM Kelly Project Builders Pty Ltd for a new two-storey teaching block at Emu Park State School. The building is currently under construction with completion forecast before the Christmas break in 2016.
- On 20 June 2016, JM Kelly Projects Builders entered into Voluntary Liquidation.
- DET has been working proactively with the Department of Housing and Public Works (DHPW) to develop a solution that will provide ongoing security of payment to suppliers and sub-contractors of JM Kelly Project Builders.
- An agreement has been reached with the liquidators and JM Kelly Project Builders to novate the project and all outstanding liabilities to JM Kelly Builders (as opposed to JM Kelly Project Builders). A Deed of Novation was signed by all parties on 1 August 2016.
- JM Kelly Builders is currently in the process of novating sub-contractor agreements to this entity and is in communication with all relevant sub-contractors with regards to this issue.
- DET is aware of several concerns from suppliers and sub-contractors who have not been paid on JM Kelly Project Builder projects. DET's project teams have been working with the DHPW to address these matters.
- DET has received assurances from JM Kelly Builders that all suppliers and sub-contractors will receive payment in due course.
- It is considered that the Deed of Novation provides a more equitable outcome for creditors who will remain contracted to JM Kelly Builders rather than becoming unsecured creditors of an entity in liquidation.
- DET will continue to liaise with JM Kelly Builders to ensure contractual obligations including payment to sub-contractors is completed.

If you don't hear from JM Kelly soon, please get back in touch with me.

Kind regards

John Schalh

M: [REDACTED]



BRITTANY LAUGA MP

MEMBER FOR KEPPEL


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Queensland Legislative Assembly	
Number: <u>5618T1793</u>	Tabled <input checked="" type="checkbox"/>
 01 NOV 2018	By Leave <input type="checkbox"/>
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