

ProgressPayTM

Media release

New fintech solution will help resolve construction finance disputes

Melbourne, 28 October 2016: An industry-first payment solution announced today will enable subcontractors to get paid within two days instead of potentially waiting months for payment. General contractors who participate and offer their subcontractors access to the solution are rewarded with a financial incentive for supporting their workers.

[ProgressPayTM](#) has today been launched in a partnership between [Progressclaim.com](#) and international debtor finance specialist [Omniveta Finance](#).

ProgressPayTM provides a solution that is desperately needed in the construction industry, with cash flow problems being the leading cause of business failure in the industry and destroying small businesses across Australia.

A unique opt-in, opt-out solution, ProgressPayTM benefits general contractors who have the advantage of dealing with financially stronger subcontractors with lower risk of default, less angst from subcontractors pursuing payment, and attracting tighter bids as an employer of choice for high quality subcontractors.

For subcontractors, ProgressPayTM forges stronger relationships with suppliers and employees by facilitating on-time payment, strengthening balance sheets and supporting strong growth profiles.

The platform challenges the industry norm that currently sees the subcontractor supply and pay for their own labour and materials to complete work as quoted, then lodge a progress claim with the general contractor for payment that can often take between 60 and 100 days to be received.

This working capital gap that exists in the industry causes a strain on relationships for the general contractor and places significant financial pressure on the subcontractor. In the worst cases, work is not completed due to subcontractor business failure. This is a growing challenge that has seen governments like Western Australia propose new legislation to ensure the timely and correct payment of subcontractors.

Lincoln Easton, founder and CEO of Progressclaim.com said: "It's no secret that access to working capital is particularly challenging in the construction industry. As a former construction CFO, I saw first-hand how difficult it can be for a subcontractor to keep a business afloat while waiting for payment.

"In an industry as competitive as construction, general contractors know it's in their best interests to help subcontractors stay ahead – and they need a reliable and accessible flow of capital to have a real shot at surviving.

"Progressclaim.com set out to find an innovative alternative to the status quo of progress claim payments. We're excited to partner with Omniveta Finance on a product that will strengthen the relationships between general contractors and subcontractors by minimising risk of default, attracting tighter bids, and building trust. It's a win-win for all parties involved."

Subcontractors who elect to use ProgressPayTM will be paid 85% of the value of their progress claim within two business days of its approval, and the remainder when the general contractor completes the payment on the original agreed contract terms, less a discounting fee.

ProgressPayTM

Christian Lucklow, CEO of Omniveta Finance, said: “We’re excited about our partnership with Progressclaim.com to deliver a viable financing solution to the construction industry, an industry traditionally considered too risky for major banks. The enhanced transparency, accountability and functionality that the ProgressPay™ system delivers, means we’re able to effectively manage our risk. As a result, we’re able to offer subcontractors extremely competitive terms.”

“Coming from our Omniveta operations in Europe where debtor finance is far more prevalent and accepted, I have been surprised to find that it has a mixed reputation in Australia. There is a perception that businesses utilising debtor finance are under financial pressure, whereas our experience, both overseas and locally, has shown that the businesses we’re financing are largely looking to reach high levels of growth; often in cases where traditional sources of capital have lacked the flexibility and scalability necessary to assist them.”

For more information on Progressclaim.com, visit the [website](#).

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About Progressclaim.com

Founded in 2011, Progressclaim.com is based in Melbourne, Australia. Tailor-made for the construction industry, Progressclaim.com connects construction contractors to a common platform enabling users to administer payment claims collaboratively, via desktop, tablet or mobile phone.

With a growing list of Australia’s top 100 builders and engineers as customers, including Grocon, Mirvac, Lend Lease and Built, together with their subcontractor supply chain, Progressclaim.com offers over 50 years of construction and software industry experience.

About Omniveta Finance

Omniveta has its roots in Scandinavia, where it has been administering complex financial products on behalf of banks and other financial institutions for more than ten years. Combined with a company philosophy of simplicity and transparency, this experience has helped secure its position as a trusted business partner in delivering industry specific debtor finance solutions. Omniveta is currently represented in Denmark, Sweden and Australia, and expects to open offices in Germany, UK and Norway in 2016-17.