

Building and Plumbing Newsflash 572

Building Industry Fairness reports released

Purpose

To advise about the release of the:

- Building Fairness: An Evaluation of Queensland's Building Industry Fairness Reforms report
- Special Joint Taskforce report.

Background

The Queensland Government will further strengthen and expand its nation-leading safeguards for subcontractor payments following the release of two independent reports into the building and construction industry.

These reports focus on Project Bank Accounts (PBA) and fraudulent behaviours relating to subcontractor non-payment, respectively. They include recommendations to help ensure everyone working in Queensland's building and construction industry is paid in full, on time, every time.

Building Fairness: An Evaluation of Queensland's Building Industry Fairness Reforms report

The PBA model, which requires money to be held in trust for subcontractors, is the centrepiece of the comprehensive suite of reforms in the *Building Industry Fairness (Security of Payment) Act 2017*.

The Queensland Government trialled the PBA model for government building and construction contracts valued at between \$1 million and \$10 million and established an independent Panel to review the security of payment reforms.

This Panel undertook extensive consultation with head contractors, subcontractors, financial institutions, industry bodies and principals involved in Phase 1 of PBA. The Panel's report makes 20 recommendations to help the system work even better. The Queensland Government accepts or accepts in principle all of the Panel's recommendations.

PBA will be rolled out progressively over the next three years.

From 1 July 2020, PBA will apply to government and Hospital and Health Services building and construction contracts valued at \$1 million or more.

From 1 July 2021, PBA will apply to private sector building and construction projects valued at \$10 million or more and to those \$3 million or more from 1 January 2022.

From 1 July 2022, PBA will apply to all building and construction projects valued at \$1 million or more.

Special Joint Taskforce report

The Queensland Government also established a Special Joint Taskforce in March this year to investigate allegations of fraudulent behaviour relating to subcontractor non-payment.

The Taskforce sought confidential submissions from individuals and organisations. During the submission period, 166 submissions were received, with 146 involving complaints of non-payment. The Taskforce also met with 42 people across Queensland.

The Taskforce report includes 10 recommendations focussed on enhancing the Queensland Building and Construction Commission's enforcement ability; improving the integrity of industry participants; and increasing collaboration amongst regulators. The government has accepted all of the Taskforce's recommendations.

Both reports, and the government's response to each, are available on the Department of Housing and Public Works' website at www.hpw.qld.gov.au/securityofpayment

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Building Legislation and Policy

Department of Housing and Public Works

Email: BLP@hpw.qld.gov.au

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