

Building and Plumbing Newsflash 549

Have your say on the Security of Payment discussion paper

Purpose

To advise that:

- the Government made an election commitment to conduct a review, involving detailed and comprehensive consultation with stakeholders in the building and construction industry.
- the [Security of Payment discussion paper](#) has now been released and we are seeking your detailed feedback.
- this aims to improve security of payment for subcontractors in the building and construction industry.

Background

Ensuring security of payment for subcontractors in the building and construction industry is a complex problem, with no simple solution.

A key difficulty in addressing the problem is the large number of different factors that can influence the payment process. These include contractual agreements, commercial relationships, supply chain arrangements, the financial position of the parties involved and relevant laws, such as contract, tax and company laws.

The recent failures of prominent construction companies including Walton Construction, Carmichael Builders Pty Ltd and Glenzeil Pty Ltd highlights the need for consultation and strategies to safeguard payments.

The key problems which have been identified are:

- insolvency in the contractual chain that leave subcontractors unpaid for work they have already completed. This is a problem for both large scale head contractors and smaller businesses
- retention money being used as cash flow by contractors and head contractors, instead of being retained for defects
- protracted and unjustified delays in payment for work done
- perceived lack of financial management skills in the industry.

Have your say on security of payment

The department is seeking feedback from the building and construction industry.

We encourage you to let us know your feedback by reviewing the [discussion paper](#) and either completing this survey or making your own written submission. You can complete the survey online on the [Get Involved website](#) or fill out a [paper copy](#) and send it to us.

Please note: the survey will take approximately 30 minutes to complete.

Written submissions

Please send written submissions by email or post to:

- Security of Payment discussion paper (as email subject line) to securityofpayment@hpw.qld.gov.au
- Security of Payment discussion paper
GPO Box 2457
Brisbane QLD 4001

Submissions close **5pm, Thursday 31 March 2016**. Submissions will not be accepted after this date.

More information

If you have any questions regarding the discussion paper, please email securityofpayment@hpw.qld.gov.au.

Contact for further information

Building Codes Queensland
Building Industry and Policy
Department of Housing and Public Works
Email: buildingcodes@qld.gov.au

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