



Australian Government
The Treasury



Government Response to the Review of Security of Payment Laws

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In the spirit of reconciliation, the Treasury acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

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Introduction

The Australian Government is committed to supporting small businesses. A strong small business sector is good for Australia and good for local communities, because small businesses create jobs and drive innovation and productivity. But small businesses need cash flow to survive, including timeliness of payments and payment security. Nowhere is this more pronounced than in the building and construction sector, where slow and non-payments, particularly to subcontractors, have caused significant harm to workers and small businesses.

To address this issue, the Albanese Labor Government is responding to the national *Review of Security of Payment Laws*, led by Mr John Murray AM (the Murray Review).¹ The Murray Review examined ways to improve consistency in security of payment legislation across the jurisdictions and strengthen protections to ensure subcontractors get paid on time for work they have done. The completion of the Murray Review happened 7 years ago, and the former Government failed to respond.

The Albanese Labor Government's focus is on ensuring that subcontractors in the construction sector receive prompt payment for their work. The combination of rising cost pressures, a surge in demand and delays in project completion times have cut margins in the residential sector. This has led to the insolvency of high-profile builders and left subcontractors unpaid for work they have completed.

This is the Government's formal response to the Murray Review. Seven years have passed since the release of the Murray Review in 2018 and much has changed. Each state and territory has its own security of payment legislation. Their approaches differed slightly over the years to reflect their own economic priorities. The Government developed this response through targeted consultation with state and territory Building Minister counterparts with responsibility for implementing legislation in their jurisdictions.

This response is forward-looking and pragmatic. It balances the need for change with the potential risk of increasing red tape and regulatory burdens to small businesses in the construction sector. This is especially relevant at a time when the sector is facing economic challenges and increased demand driven by the Government's ambitious housing agenda to deliver 1.2 million new homes over 5 years from 1 July 2024. This response acknowledges the responsibility of the states and territories in reforming their legislation governing the construction sector, the roles of industry unions and businesses in advising on the best way to implement these changes, and the Australian Government's leadership role in coordinating the improvements and pursuing the microeconomic reforms to assist small businesses facing an imbalance of bargaining power.

The Government is taking action to improve cash flow for small businesses, including subcontractors, recognising their essential role at the core of the economy. The Government will continue to lead national conversations at the state and territory Building Minister level and through the tripartite National Construction Industry Forum to improve the security of payments.

1 J Murray AM (2017, December) *Review of Security of Payment Laws: Building Trust and Harmony*, report to the Department of Jobs and Small Business, Australian Government, accessed 20 February 2025.

Australian Government response

Late payments and a lack of payment security are longstanding and serious issues in the construction sector. Over the past few decades, governments at both the federal and state levels have commissioned several reviews and reports to consider the problems plaguing the sector.

Amid the dynamic landscape of today's construction industry, the Australian Government is responding to the findings and recommendations of the Murray Review.

The Murray Review focused on addressing the persistent challenge of poor payment practices in the construction sector, primarily from the inherent power imbalance between principals, head contractors and subcontractors within the sector. Subcontractors are predominantly small businesses and often find themselves bearing the brunt of financial risks, including prolonged payment terms, delayed progress payments and sometimes outright non-payment that cascade down the contractual hierarchy. The Murray Review also highlighted the legislative inconsistencies across the states and territories and called for a cohesive framework to ensure nationwide consistency in payment security protections.

The term 'security of payment' in the Murray Review captures the entitlement of all parties in the contractual chain – be they contractors, subcontractors, consultants or suppliers – to receive on-time progress payments for their contributions to construction projects.²

Murray Review: summary and recommendations

The Murray Review, in line with its Terms of Reference:

- examined the security of payment legislation of all jurisdictions to identify areas of best practice for the construction industry
- considered any reviews and inquiries in relation to security of payment, including the December 2015 report by the Senate Economic References Committee on Insolvency in the Australian Construction Industry and the draft legislation developed by the 2003 Cole Royal Commission into the Building and Construction Industry
- consulted with business, governments, unions and interested parties and the Security of Payments Working Group (since disbanded), and
- considered how to prevent various types of contractual clauses that restrict contractors in the construction industry from obtaining payments for completed work.

In making recommendations, the Murray Review considered other models, including Queensland's model prior to 2014.

² Murray Review, p 7.

The Murray Review made 86 recommendations. Of these, 85 related to the scope, design and structure for the adoption of model security of payment legislation across all state and territory jurisdictions, based on 3 policy considerations to identify 'legislative best practice'.³

1. Preserving the cash flow of the party that has carried out construction work or provided related goods and services by enshrining its right to receive progress payments.
2. Providing an adjudication process that ensures disputed payment claims are quickly and efficiently determined so that prompt payment can be made.
3. Protecting payments made in respect of a progress claim so that the party who receives the payment holds the payment for those to whom it is rightfully due.⁴

Recommendation 86 called for the Commonwealth to take a lead role in working with the states and territories and industry towards setting up a nationally consistent deemed statutory trust model.

Evolution of security of payment laws since the Murray Review

Since the handing down of the Murray Review in 2018, there has been considerable activity across the country to implement its findings. Many states and territories have amended their security of payment legislation, reflecting their own priorities and economic conditions: see **Appendix A Table 1**.

Actions ranged from inquiries and technical updates to existing frameworks, to major reforms to frameworks such as in Western Australia, which at the time of the Murray Review was less comparable to other jurisdictions, and the introduction of project bank accounts in some jurisdictions.

Although legislative responses progressed at different speeds and approaches, reforms have generally been consistent with the Murray Review's policy objectives, and collectively they are significant. These changes have improved national consistency, addressed issues with claim and adjudication processes and created obligations to protect funds for contractors and subcontractors. **Appendix A Table 2** notes the degree of alignment by states and territories to the recommended legislative model.

All jurisdictions continue to monitor the changes to maintain their progress towards resolving the issues with security of payment.

Overview of the Government's response

The Government supports the policy objectives of the Murray Review and the recommendations towards improving security of payment laws in the construction sector on a nationally aligned basis.

The Government recognises there are significant complexities with deemed statutory trusts in the sector, and that stakeholders and jurisdictions hold diverse views on the model for their use. A deemed statutory trust is a legislative framework that creates trust obligations on all recipients of progress payments throughout the payment chain. This includes between sub-subcontractors separated from the principal/client by several tiers of other contractors.

3 Murray Review, p xiii.

4 Murray Review, p xiv.

This response does not address each recommendation separately.

1. Significant time has passed since the release of the Murray Review, marked by changing economic conditions for construction businesses and changes to state and territory security of payment legislation.
2. The Commonwealth may have a more limited legislative capacity over the full scope of security of payment laws relative to the states and territories. Given this, the states and territories have a key role to play to address current issues by legislating on security of payment matters in their own jurisdictions.

This response focuses on practical policy interventions to deliver the same outcomes envisaged in the Murray Review and considers the post-Murray Review shifts in conditions in the construction sector, legislative reforms made by states and territories in response to the Review and the Government's broader economic reforms.

Why is the Government responding now?

The Government recognises the importance of security of payment to small business subcontractors and it is committed to protecting their rights, even though seven years have passed since the release of the Murray Review. The problems caused by slow and non-payments to subcontractors in the construction sector are long-standing and cause significant harm to workers and small businesses.

Construction is important to the Australian economy. The sector added \$189 billion in gross value from 1 October 2023 to 30 September 2024, representing 7.5 per cent of total Australian gross value added,⁵ with over \$73.3 billion in total construction work completed in the September 2024 quarter (seasonally adjusted).⁶ The sector employs more than 1.36 million people⁷ across more than 452,000 businesses,⁸ with low market concentration⁹ and high competition.

Changes in economic conditions since the release of the Murray Review have worsened the pressures on cash flow in the sector and thinned margins. Global price shocks and supply constraints caused by COVID-19 have added to the costs of construction. Prices for material inputs like timber, concrete and metal products increased significantly during the pandemic, reflected in the Producer Price Index. Together with higher labour pricing, these drove a sharp increase in the construction costs of new dwellings and contributed to the rise in measured Consumer Price Index inflation. Although the growth in construction costs for new dwellings has eased, they continue to rise from an already elevated level.

5 Australian Bureau of Statistics (2024) 'Table 45 – Gross Value Added by Industry, Current prices', *Australian National Accounts: National Income, Expenditure and Product Table 45*, released 4 December 2024, ABS website, accessed 20 February 2025.

6 Australian Bureau of Statistics (2024) *Construction Work Done, Australia, Preliminary*, released 27 November 2024, ABS website, accessed 20 February 2025.

7 Australian Bureau of Statistics (2025) 'Table 04. Employed persons by Industry division of main job (ANZSIC) – Trend, Seasonally adjusted, and Original', *Labour Force, Australia, Detailed*, released 23 January 2025, ABS website, accessed 20 February 2025.

8 Australian Bureau of Statistics (2024) *Counts of Australian Businesses, including Entries and Exits*, released 27 August 2024, ABS website, accessed 20 February 2025.

9 IBISWorld (2025) *Construction in Australia – Number of Businesses 2008–2031*, January 2025, IBISWorld website, accessed 20 February 2025.

The lengthy nature of some construction projects and a general tendency for fixed-price contracting leaves many firms more sensitive to interest rate rises, increasing both debt-servicing and borrowing costs.¹⁰ These stressors increase the need for security of payment protections for subcontractors further down the contractual chain, as construction sector participants tend to take a more conservative approach to cash management and can withhold payments or redirect funds to manage reduced profit margins.

While insolvencies in the construction sector represented 26.4 per cent of total corporate insolvencies in the 2023–24 financial year, the overall number of corporate insolvencies in Australia as a proportion of total companies remains below the long-term historical average, reflecting growth in the number of companies.¹¹ Construction continues to be among the slowest-paying industries when measured by the proportion of invoices 60 days or more in arrears.¹²

Recent Australian Securities and Investments Commission (ASIC) data highlights that ‘inadequate cash flow or high cash use’ (54.0 per cent of all reports) and ‘trading losses’ (43.9 per cent of all reports) are two of the top four most prominently cited specific reasons for failure in the construction industry in 2023–2024.^{13, 14}

Conditions in the residential construction sector continue to be uncertain, with the trend series for private residential building approvals around its lowest level in over a decade. However, some residential builders are now restoring their profit margins. Additionally, business-related personal insolvencies are still near historic lows. This includes construction-related personal insolvencies, suggesting that recent pressure among larger construction businesses has not spilled over in a material way to households owning and running small construction businesses.¹⁵

The Government has an agenda to support the construction sector across a range of its portfolios through its housing targets, sustained investment in infrastructure and the transition to renewable energy.

The Government’s response to the Murray Review accounts for these economic shifts, challenges and opportunities facing the construction sector to drive long-term prosperity without additionally burdening small businesses.

10 Reserve Bank of Australia (2022, October) *Financial Stability Review Box C: Financial Stress and Contagion Risks in the Residential Construction Industry*, RBA website, accessed 20 February 2025.

11 Australian Securities and Investments Commission (2025) *ASIC’s insolvency statistics series 1 and series 2*, released 17 February 2025, ASIC website, accessed 20 February 2025.

12 CreditorWatch (2024, December) *Business Risk Index*, released 12 December 2024, accessed 20 February 2025.

13 More than one cause of company failure can be nominated in each report.

14 Australian Securities and Investments Commission (2024) *ASIC’s insolvency statistics series 3.2*, published November 2024, accessed 20 February 2025.

15 Reserve Bank of Australia (2024, September) *Financial Stability Review Resilience of Australian Households and Businesses*, RBA website, accessed 20 February 2025.

The Government is taking action

Although each state and territory is responsible for regulating its own construction sector, poor payment practices are a national problem requiring the Commonwealth's stewardship. The Government has taken and will continue to take, the leading role in bringing the states and territories together to work towards improving and aligning their respective regimes.

The Government has committed to several actions in responding to the Murray Review, most of which are underway. Beyond security of payment legislation, the Government is using wider policy levers to tackle vulnerabilities in the construction industry through measures to combat illegal phoenix activity, making unfair contract terms more identifiable, competition policy and acting through initiatives like the National Construction Industry Forum (NCIF) and the development of the Secure Australian Jobs Code.

Working with business and unions on a Building and Construction Industry Blueprint

The Government is addressing security of payment concerns with the building and construction industry through the collaborative work of the NCIF. The NCIF adopts a tripartite approach – a principle of equal and shared collaboration between governments, employers in the building and construction industry and unions representing the employees – on matters affecting workers and businesses. The establishment of the NCIF under the *Fair Work Act 2009* in July 2023 was a direct outcome of the Government's 2022 Jobs and Skills Summit.

The NCIF acknowledges that financial viability, including security of payment, is one of the most important issues facing the building and construction industry.

On 18 September 2024, Senator the Hon Murray Watt, Minister for Employment and Workplace Relations and Chair of the NCIF, announced the Government would reinvigorate the NCIF in response to the need for a major reset in Australia's construction industry.

On 16 October 2024, NCIF members unanimously agreed to develop a Building and Construction Industry Blueprint (Blueprint) within 6 months to create lasting and tangible change in the industry.

The Blueprint will identify and prioritise the key challenges of the industry and include a staged workplan for the NCIF to consider appropriate solutions. While still in development, the expectation is that the Blueprint will identify security of payment as a key priority.

Improving security of payment in new Commonwealth construction projects

The Government recognises it can lead by example in improving payment practices by using the significance and sheer size of Government procurement.¹⁶ The Government places prompt payment times requirements upon itself for procurements regardless of contract value. Non-corporate Commonwealth entities must pay contractors within 20 calendar days following acknowledgement of the satisfactory delivery of goods or services and receipt of a correctly rendered invoice.¹⁷

16 Department of Finance (2025) *Procurement*, Department of Finance website, accessed 20 February 2025.

17 Department of Finance (2024) *Supplier Pay On-Time or Pay Interest Policy (RMG 417)*, Department of Finance website, accessed 20 February 2025.

Commonwealth procurement arrangements also support prompt payment throughout the supply chain. Large businesses that enter contracts valued above \$4 million with the Commonwealth Government must pay their subcontracts valued up to \$1 million within 20 calendar days, to match the Commonwealth's payment times.¹⁸

The Commonwealth Supplier Code of Conduct (Code) sets out clear prompt payment expectations for all new Commonwealth procurement contracts, including construction. All non-corporate Commonwealth entities and prescribed corporate Commonwealth entities have had to comply with the Code from 1 July 2024.¹⁹ Section 2.5 of the Code sets out the Government's expectation that 'suppliers should reflect the Commonwealth's maximum payment times in their contracts with subcontractors'. Where requested by the Commonwealth, tenderers and suppliers must be able to demonstrate they have appropriate policies, frameworks, or similar, in place to comply with the expectations of the Code, including payment times. Failure to adhere to the Code may result in remedial action and/or termination of contracts.

Through its Buy Australian Plan and the Secure Australian Jobs Plan, the Government committed to establish the Secure Australian Jobs Code to prioritise secure work in government contracts and ensure government purchasing power is being used to support businesses that engage in fair, equitable, ethical and sustainable practices.²⁰ The Secure Australian Jobs Code may place additional requirements on recipients of Commonwealth funding to prevent practices that can result in underpayment, exploitation and unsafe work practices in particular industries, and the allegations of unacceptable behaviour in the construction industry.

In addition, the Government is considering options to improve payment outcomes, including the Commonwealth Procurement Framework with a specific focus on construction projects and applying broader work on security of payments, where relevant, in the context of Commonwealth construction.

For example, placing requirements on head contractors to provide evidence to contracting entities that they are up to date with payments to subcontractors could increase the certainty of payments. The Government notes that initiatives such as this would increase the administrative workload for both private and public sector parties.

Promoting prompt payment times for Government construction by Government Business Enterprises

The Government will promote prompt payment times for contractors and subcontractors for Commonwealth Government Business Enterprises (GBE) undertaking major construction activity. The Government will demonstrate its commitment to improved payment times and cash flow by writing to relevant Commonwealth GBEs and where appropriate, non-corporate Commonwealth entities and updating Statements of Expectations as appropriate, to reflect the Government's expectations that payment times to contractors and subcontractors for completed work are consistent with the 20-day payment terms that apply to non-corporate Commonwealth entities.

18 The Treasury (2021) *Payment Times Procurement Connected Policy*, The Treasury website, accessed 20 February 2025; Department of Finance (2022) *Supplier Pay On-Time or Pay Interest Policy (RMG 417)*, Department of Finance website, accessed 20 February 2025.

19 Department of Finance (2024) *Commonwealth Supplier Code of Conduct*, Department of Finance website, accessed 20 February 2025.

20 The Treasury (25 September 2023) *Working Future: The Australian Government's White Paper on Jobs and Opportunities*, The Treasury website, accessed 20 February 2025.

The Federation Funding Agreement Schedule (FFAS) will also help support the uptake of best practice and improve industry compliance with relevant legislation. The Commonwealth, together with all states and territories, has agreed to the FFAS for Land Transport Infrastructure Projects. The Government's Infrastructure Policy Statement informed the FFAS, which notes that investment in infrastructure projects presents an opportunity to pursue complementary policy goals, such as procurement practices that support the long-term sustainability of the construction industry. The FFAS acknowledges the states and territories are responsible for ensuring compliance with relevant Commonwealth and state legislation and engaging with delivery partners who prioritise secure work and engage in fair, equitable, ethical and sustainable employment practices.

Providing guidance to help identify unfair contract terms in standard construction contracts

Some organisations representing subcontractors have identified unfair contract terms in construction subcontracts as contributors to poor payment practices, and they have called for stronger prohibitions for unfair contract terms.²¹

Since the Murray Review, the Government has introduced reforms as part of the *Treasury Laws Amendment (More Competition, Better Prices) Act 2022*. These amendments came into effect on 9 November 2023. The Act introduced penalties for businesses that include unfair contract terms in their standard form contracts with consumers and small businesses. These amendments also expanded the class of contracts covered by unfair contract term provisions. The Government will commence a statutory review of these reforms in November 2025 to examine their effectiveness and consider whether any potential changes are necessary.

The Australian Competition and Consumer Commission (ACCC) outlined in its 2025–26 Compliance and Enforcement Priorities that it is committed to ensuring the protections of competition and consumer laws and small business industry codes of conduct apply to small businesses. It will also consider conduct that results in substantial detriment to small business and pursue compliance and enforcement of unfair terms in small business contracts.²²

In the Government's response to the Hon Dr Craig Emerson's independent review of the *Payment Times Reporting Act 2020* (the Emerson Review), the Government agreed small businesses need greater support to identify and act against unfair contract terms.²³

The ACCC is leading the revision of the general Australian Consumer Law guide on unfair contract terms in collaboration and consultation with the Treasury and state and territory offices of fair trading. This revised guidance is likely to include a small and medium enterprise payment time example.

21 National Electrical and Communications Association and Civil Contractors Federation (2023) *Joint Industry Submission: Inquiry into employers and contractors who refuse to pay their subcontractors for completed works*, Parliament of Victoria website, accessed 20 February 2025. The submission represents the views of the National Electrical and Communications Association, Airconditioning and Mechanical Contractors Association, Australian Cabinet and Furniture Association, Civil Contractors Federation, Electrical Trades Union, Institute of Electrical Inspectors, Master Plumbers and Mechanical Services Association of Australia, National Electrical Switchboard Manufacturers Association, National Fire Industry Association, Refrigeration and Airconditioning Contractors Association.

22 Australian Competition and Consumer Commission (2025) *Compliance and enforcement priorities*, ACCC website, accessed 20 February 2025.

23 The Treasury (5 December 2023) *Government response to the Statutory Review of the Payment Times Reporting Act 2020* [Government response], The Treasury website, accessed 20 February 2025.

Giving independent contractors the right to challenge unfair contract terms under the *Fair Work Act 2009*

The Government has also introduced reforms as part of the *Fair Work Legislation Amendment (Closing Loopholes No. 2) Act 2024* that establish a low cost and accessible unfair contracts jurisdiction at the Fair Work Commission (Commission). Individual independent contractors who earn under a high-income threshold can apply to the Commission if they think their services contract contains an unfair contract term.²⁴ If the Commission determines that the contract contains a term that is unfair, it can make an order to set aside, amend or vary all or part of the contract. The Commission can only make these orders in relation to unfair terms that would relate to workplace relations matters in an employment relationship. This may include, for example, terms of the contract dealing with remuneration.

Consulting on options to address unfair trading practices

In its response to the Emerson Review, the Government committed to considering unfair payment-related practices when developing any future reforms that introduce a general or specific prohibition of unfair trading practices into the Australian Consumer Law.

The Government released a Consultation Regulation Impact Statement on 31 August 2023 on behalf of all jurisdictions seeking evidence on the nature of unfair trading practices in Australia, the extent of consumer and small business harm arising from potential gaps in Australian Consumer Law and feedback on policy options to address unfair trading practices.²⁵ A supplementary consultation paper released on 15 November 2024 proposed to introduce a general, principles-based prohibition on unfair trading practices initially applying to business-to-consumer dealings before considering its application to business-to-business dealings.²⁶

The ACCC has identified the harm unfair trading practices have on small businesses. These include business practices that seek to dissuade small businesses from exercising their contractual or other legal rights, or where larger businesses use their superior bargaining power to pressure smaller suppliers to amend contract provisions in an ongoing contract in a way that results in worse outcomes (for example, lower prices) for the smaller supplier.

The Government also intends to extend unfair trading practice protections to small businesses in business-to-business transactions, subject to state and territory agreement, and will undertake consultation on the design of such measures. It will consult on the nature of these protections and how they can address power imbalances between small and larger businesses.

24 The contractor high income threshold is \$175,000 from 1 July 2024.

25 The Treasury (2023) *Unfair trading practices – Consultation Regulation Impact Statement*, The Treasury website, accessed 20 February 2025.

26 The Treasury (2024) *Unfair trading practices – Consultation on the design of proposed general and specific prohibitions*, The Treasury website, accessed 20 February 2025.

Supporting the adoption of eInvoicing

The Government committed to developing a strategy to increase the take-up of eInvoicing in its response to the Emerson Review. In the 2024–25 Budget, the Government provided \$23.3 million to support the adoption of eInvoicing to improve cash flow for small businesses and help mitigate payment redirection scams. Key areas of focus include:

- working with digital service providers to register their customers for eInvoicing
- working with large businesses to drive adoption through their supply chains, and
- increasing government eInvoicing capability and usage.

Since the release of the Emerson Review on 31 August 2023, the number of Australian small businesses registered for eInvoicing has grown from 30,000 to over 400,000 in 2025. Small business accounting software providers drove this considerable growth in take-up and offer eInvoicing at no additional cost in their software packages. eInvoicing supports timely payments by removing manual data entry and enhances transparency by creating trackable records of received invoices, in addition to other benefits for small businesses.

Considering options to reform insolvency laws

The Parliamentary Joint Committee on Corporations and Financial Services conducted an inquiry into Australia's corporate insolvency system and published its final report on 12 July 2023. The Government is considering the recommendations contained in the report and will provide a response in due course.

Combatting illegal phoenix activity

Illegal phoenix activity exploits workers, disrupts supply chains, affects the viability of the businesses that do not receive payment and creates unfair competition between those who comply with their obligations and those who do not.

The Phoenix Taskforce is a cross-government taskforce with over 45 federal, state and territory member agencies established to disrupt the business model of phoenix operators, bring them back into the tax and regulatory systems or remove them from the business environment, and prosecute offenders. Taskforce activities have had broader positive impacts, by sending a strong deterrent message to potential phoenix operators and their advisers.

In 2020, the Government implemented the *Treasury Laws Amendment (Combating Illegal Phoenixing) Act 2020* to combat illegal phoenix activity. This Act introduced new criminal offences, civil penalties and voidable transaction provisions to recover company property and deter entities from engaging in this illegal activity. There is a requirement for an independent statutory review of this Act as soon as practicable after 17 February 2025.

The Government announced in the 2024–25 MYEFO that it will provide \$66.9 million to the Australian Taxation Office (ATO) and \$1.1 million to ASIC to extend and enhance the Phoenix Compliance Program for two years from 1 July 2025, allowing the ATO to continue and build on its existing work to combat illegal phoenix activity. The Government has also committed additional funding for ASIC to improve its ability to identify and take enforcement action against those involved in illegal phoenixing conduct, focussing on the sectors that are more susceptible and impacted by such conduct, particularly construction.

Government actions taken to date

Collaborative engagement with states and territories and industry on security of payment laws and processes

The Government has engaged collaboratively with states and territories and the building and construction industry on security of payment laws through two key forums: the Building Ministers' Meeting (BMM) and the NCIF. In these forums, the Government facilitates and leads discussion on reforms to security of payment laws and relevant actions.

Building Ministers' Meeting

The BMM and its predecessor, the Building Ministers' Forum, has a rich history of fostering collaboration among relevant ministers nationwide dating back to 2005. The BMM commenced in 2020 with Commonwealth, state and territory Building Ministers overseeing policy issues affecting Australia's building and construction industries and supporting consistency in building codes across jurisdictions. The meeting, chaired by the Minister for Industry and Science, provides an avenue for the Commonwealth and states and territories to consider and discuss a range of issues in relation to the building and construction industry, including security of payment.

In the March 2024 meeting, the Government reviewed the Construction Industry Payment Principles (CIP Principles) with jurisdictions. The CIP Principles, distilled from Murray Review recommendations, seek to improve the timeliness of payments and payment security (**Box 1** refers).

This approach focused on progressing improvements and promoting consistency of outcomes for participants in the construction sector, rather than consistency of legislation. It also acknowledges differences amongst the states and territories, particularly in economic conditions, and affords flexibility to each jurisdiction to reform payment security legislation according to their specific challenges in the construction sector.

Discussions at the BMM have been constructive and approaches already taken by jurisdictions on security of payment matters align with these principles. The BMM offers an ongoing and valuable avenue to share activities, experiences and case studies on reform in this area.

Box 1: Construction Industry Payment Principles

Principle 1: Right to claim progress payments

Construction industry contractors and subcontractors should have a statutory right to receive prompt payment of progress claims in relation to construction work they have completed, or their supply or related goods and services. This right should enshrine:

- a right to payment at least once per month
- a maximum 25-day period from payment claim to payment
- consistent procedures to make payment claims and calculate claimable amounts.

Jurisdictions should also prohibit contract clauses that undermine right to progress payments (for example, 'pay-when-paid' clauses).

Principle 2: Efficient adjudication process

Construction industry contractors and subcontractors should have access to a statutory adjudication process to enforce progress payment rights. This process should:

- provide an express right to seek adjudication of disputes over payment claims
- include a process to review, authorise and remove adjudicators
- provide protections to suspend work during disputes
- impose a maximum 30-day period for an adjudicator to make a decision, and
- provide a consistent process to review adjudicated decisions.

National Construction Industry Forum

The Minister for Employment and Workplace Relations chairs the NCIF. Its membership includes the Minister for Infrastructure, Transport, Regional Development and Local Government, the Minister for Industry and Science, 8 members with experience in representing employers (including contractors) and 8 representing employees. The NCIF's role is to provide advice to the Government on a broad range of issues relating to work in the building and construction industry, including safety, workplace relations, skills and training, industry culture, diversity and gender equity, and productivity.

At its first meeting on 20 October 2023, NCIF members agreed to establish the Financial Viability Subcommittee (Subcommittee) to inform the advice the NCIF will provide to Government. The Subcommittee has identified several key issues affecting financial viability in the industry to focus on, including security of payment.

Overhauled the Payment Times Reporting Scheme to improve transparency of payment times

The Government is committed to improving payment times to small businesses. A key initiative aiming to improve the payment practices of large businesses to their small business suppliers is the Payment Times Reporting Scheme (the Scheme) under the *Payment Times Reporting Act 2020*.

The Scheme aims to level the playing field and to secure better payment times and outcomes for small businesses. It requires large businesses and large corporate Commonwealth entities to report on their payment terms and performance to the Payment Times Reporting Regulator (the Regulator) every 6 months. Payment times reports appear on the Payment Times Reports Register (the Register), which is freely accessible on the Payment Times Reporting website.²⁷

On 5 December 2023, the Government published its response to the Emerson Review, agreeing with all recommendations. The Government's response committed to overhauling the Scheme by implementing a range of measures to put pressure on large businesses to pay promptly and improve outcomes for small businesses.²⁸

The *Payment Times Reporting Amendment Act 2024* received Royal Assent on 9 July 2024 and significantly amended the *Payment Times Reporting Act 2020* to implement the Government's response to the Emerson Review. The reforms to the Act took effect on 7 September 2024. New Payment Times Reporting Rules commenced on 13 September 2024.

These reforms are significant and affect all reporting entities. They introduced and amended regulatory powers to improve the efficiency of the administration of the Scheme and enable more detailed analysis and development of insights for sectors with higher risk of slow payment, including the construction sector. The reforms create new incentives for large businesses to improve payment times to small businesses.

Changes to the Act include empowering the Minister to make a direction to an entity in the slowest 20 per cent of payers – whether compared to all entities or their sector – to state they are a slow small business payer. This entity may then have to include this statement on its website, in procurement and environmental, social and governance (ESG)-related documentation. The amended Act also includes criteria for when an entity is a fast small business payer, with the Regulator required to maintain and publish a list of entities that pay small business suppliers within 20 days on the Register.

The Regulator's statutory functions have also expanded to undertake research and outreach to provide insight into payment practices of concern, enable monitoring of sectors of concern and foster a culture of better payment times and practices.

Updated reporting fields for the Register will require entities to state whether they have committed to certain payment practices. These could be under voluntary industry codes, internal policies and regulations, such as security of payment legislation and government procurement policies. The improved reporting requirements have the potential of making the Register an indicator of changes to payment times and practices, assisting in early identification of sectors of concern.

The Government will also strengthen communication channels to promote prompt payment as an ESG obligation.

27 Payment Times Reporting Regulator, [Paymenttime.gov.au](https://www.paymenttime.gov.au) [website], accessed 20 February 2025.

28 The Treasury (5 December 2023) [Government response to the Statutory Review of the Payment Times Reporting Act 2020](#) [Government response], The Treasury website, accessed 20 February 2025.

Other measures the Government's response to the Emerson Review committed to included:

- considering unfair payment-related practices when developing any future reforms that introduce a general or specific prohibition of unfair trading practices into the Australian Consumer Law
- supporting small business to identify and act against unfair contract terms
- developing a strategy to increase the take-up of eInvoicing, and
- elevating the importance of prompt payment in the Commonwealth procurement supply chain.

These changes give effect to the Government's commitment to improve small business payment times by influencing large businesses to improve their payment practices in dealing with small businesses, including in the construction sector.

Explored the feasibility of requiring head contractors to use project bank accounts for Commonwealth construction projects

The Murray Review acknowledged that project bank accounts were an interim step towards its preference for statutory trusts. This is where the creation of a separate bank account for a project enables the principal/client to make progress payments and from which the head contractor and subcontractors receive payment directly.

Project bank accounts offer a more gradual approach than cascading statutory trusts by requiring large contractors to take part in developing the tools and processes to secure payment without imposing as heavy obligations on smaller businesses.

In this process, the Government considered introducing a requirement for head contractors to establish dedicated project bank accounts for subcontractor 'retention monies'. While this could help to ensure all accumulated retention monies were available to the relevant subcontractor(s) on completion of the works, the Government recognises this is a significant change in the way head contractors currently operate and manage their overall business and cash flows and is therefore likely to face opposition across the sector. The Government also appreciates the effectiveness of a dedicated project bank account arrangement is essentially limited to how far the arrangement is cascaded (that is, replicated) through the entire supply chain for the project. It would require subcontractors and suppliers alike to open and maintain a considerable number of bank accounts to conduct their business.

Supporters of project bank accounts claim the risk of non-payment lessens if this ensures the use of funds for that project only and protects from default by a head contractor (the insolvency of which arguably has the greatest impact down the supply chain). This means subcontractors are less exposed to risks from the head contractor's other projects, which they are not part of.

During the Commonwealth's consultations with a selection of construction contractors, they referred to the Australian Constructors Association's (ACA) October 2023 publication, which argued strongly against the use of project bank accounts more broadly for construction projects.²⁹

29 Australian Constructors Association (2023) *Trust Deficit – Project bank accounts are a hammer in search of a nail*, p 10, accessed 20 February 2025.

Key concerns raised about the introduction of a project bank account and trust account regime included that:

- it would reduce the flexibility for contractors to independently manage their cash flow and commitments across a portfolio of projects
- the model is inconsistent with a fixed price model, where the principal is not on notice of a contractor's margin and commercial approach to subcontracting and the management of those subcontracts
- it would lead to increased implementation and administration costs, which would flow on to the principal
- there are other more cost-effective methods for achieving better security of payment, including the existing state-based security of payment regime, and
- insolvency risk varies across sectors and contracting levels from the head contractor level to the subcontractor and sub-subcontractor levels.

The Government acknowledges that there is considerable industry opposition to the proposal as project bank accounts or trust accounts can distort the market by creating considerable and further administrative and resourcing obligations for subcontractors and suppliers, in addition to preventing businesses from managing their cash flow and commercial arrangements in the ways they rely on. This prevents all parties in the contracting and supply chain from using revenues from one activity to fund another and, resultingly, compromises growth and innovation.³⁰

The requirement for a dedicated bank account would also:

- increase the likelihood of a head contractor, and any party throughout the subcontracting and supply chain, not being able to pay an invoice when it becomes due – even though that business may be in a strong financial position and it may still be making a profit on the project, and
- decrease the ability of the head contractor (and all parties in the subcontractor and supply chain) to work within their contractual chain to accelerate aspects of a project, as part of managing the overall program and client needs.

It would also likely require businesses to hold dedicated cash reserves, which would place significant financial and administrative burdens on those parties. Master Builders Victoria noted that the bank account model in Queensland is incredibly complex and is not a model of best practice, given it is burdensome, complex and has high costs. It preferred the Murray Review's proposal of a cascading statutory trust account model.³¹

As with statutory trusts, the Government recognises that dedicated project bank accounts could introduce considerable additional administrative resourcing and costs throughout the contractual chain, which may disadvantage certain small and medium entities' ability to price for Government procurement projects. Successful implementation of the arrangements may not be feasible in the short to medium term due to a lack of appropriately experienced resources (to service the public and private sector parties) to administer such bank accounts and their accounting.

30 Australian Constructors Association (2023) *Trust Deficit – Project bank accounts are a hammer in search of a nail*, p 4, accessed 20 February 2025.

31 Master Builders Victoria (2023) *Submission: Inquiry into employers and contractors who refuse to pay their subcontractors for completed works*, Parliament of Victoria website, pp 25–26, accessed 20 February 2025.

Requiring head contractors to use dedicated project bank accounts for new Commonwealth construction projects may also introduce potential risks which can amplify if the requirement cascades through the tiers of subcontractors and suppliers (noting the protections under a dedicated bank account structure are not effective unless the dedicated bank account structure cascades all through the subcontractor and supply chain for the project).

The Government also acknowledges that creating a dedicated head contractor project bank account will not address a key issue of head contractor and subcontractor disagreements regarding variations submitted, but not assessed by the head contractor as having a contractual entitlement.

Some state governments have trialled project bank accounts, including Queensland, Western Australia and New South Wales. Following a trial, Western Australia now uses project bank accounts for certain government projects valued over \$1.5 million. Queensland has the most expansive policy on project bank accounts, making them a central feature of recent reforms and phasing them in across the construction sector. These originally applied to certain government contracts with tenders released between 1 March 2018 and 28 February 2021. Since then, Queensland has commenced a new streamlined trust account framework, phasing in to all eligible building and construction contracts valued at \$1 million or more, both governmental and private. Many other states and territories are watching the progress of the Queensland regime as a test of project bank accounts. The Commonwealth will also monitor this progress.

There are a variety of views on the effectiveness or otherwise of project bank accounts. The Government is exploring the feasibility and effectiveness of requiring that head contractors use project bank accounts for new Commonwealth construction projects, but based on the available evidence does not intend to require this at a whole-of-government level at this time.

Consideration of Deemed Statutory Trusts

The Murray Review did not set out how a deemed statutory trust would work in conjunction with the Review's other recommended elements of the legislative best practice model.

Statutory trusts are contentious, and there is no consensus across the construction industry favouring or disfavouring deemed statutory trusts. No state or territory has implemented deemed statutory trusts.

In May 2024, Master Electricians Australia called for the legislation of cascading retention trust accounts in a manner that allows authorised entities to be the trustee on behalf of the contracting party. This would enable a low-cost and simple solution for small businesses holding retention, and that security of payment legislation would include provisions that the contracted party may, at any time, elect to substitute a contractually required form of non-cash security with cash retention.³² The National Electrical and Communications Association likewise called for provision for cascading statutory trusts in favour of subcontractors and sub-subcontractors.³³

32 Master Electricians Australia (2024) *Security of Payment – Bigger Steps and Better Ways*, p 1, accessed 20 February 2025.


33 Electrical Connection (2024) *Making sure tradies get paid*, Electrical Connection website, accessed 20 February 2025.

Some unions are supportive of the use of trust accounts, with the then Construction, Forestry, Mining and Energy Union calling for the Government to implement the findings of the Murray Review regarding progress claims and statutory trusts.³⁴ The union later called for the Government to implement nationally consistent security of payment laws.³⁵ The Electrical Trades Union also strongly supports the strengthening of current legislation.³⁶

Proponents favouring cascading statutory trusts argue that they provide greater timeliness and certainty of payment for subcontractors and are likely to be much less administratively complex compared to project bank accounts.³⁷ They see that statutory trusts promote prompt payment by preventing monies held in trust being used for working capital and requiring head contractors to pay subcontractors first before they can access their share of the funds.³⁸ They consider that statutory trusts secure the payments owed to subcontractors if a contractor further up the construction chain, against whom a payment claim has been made, becomes bankrupt or insolvent.³⁹ Another claimed benefit of statutory trusts is that they provide an incentive for head contracting parties to not under-bid when tendering to secure projects. This could have positive flow on effects, such as ensuring the full payment of award rates and entitlements to workers.

Statutory trusts have also received criticism – as the Murray Review itself acknowledges – for their complexity, cost and the administrative burden of imposing trust and trust accounting obligations on all participants in the supply chain.⁴⁰ Participants in the Murray Review’s proposed deemed statutory trust model, including subcontractors and sub-subcontractors, are potentially the very small or micro businesses with little financial capacity, expertise, or time to understand the nuances of trusts.⁴¹ It also may not result in sufficient funds being ‘secured’ to cover all payments in the contractual chain and there is a prevailing risk that trust obligations will be ignored and funds will be misused by parties.

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- 34 Construction, Forestry, Mining and Energy Union (2018) *Trusts recommendation in security of payment report would prevent subbies, building workers and small business rip-offs*, CFMEU ACT website, accessed 20 February 2025
- 35 Build Australia (2023) *Builder’s financial strife sparks calls for security of payments reform*, Build Australia website, accessed 20 February 2025.
- 36 Electrical Connection (2024) *Making sure tradies get paid*, Electrical Connection website, accessed 20 February 2025.
- 37 Master Electricians Australia (2024) *Submission: Inquiry into Micro, Small, and Medium Businesses in the ACT Region*, Legislative Assembly for the Australian Capital Territory website, p 3, accessed 20 February 2025; National Electrical and Communications Association and Civil Contractors Federation (2023) *Joint Submission: Inquiry into employers and contractors who refuse to pay their subcontractors for completed works*, Parliament of Victoria website, accessed 20 February 2025. The latter submission represents the views of National Electrical and Communications Association, Airconditioning and Mechanical Contractors Association, Australian Cabinet and Furniture Association, Civil Contractors Federation, Electrical Trades Union, Institute of Electrical Inspectors, Master Plumbers and Mechanical Services Association of Australia, National Electrical Switchboard Manufacturers Association, National Fire Industry Association, Refrigeration and Airconditioning Contractors Association.
- 38 National Electrical and Communications Association (2022) *Submission: 2022 Inquiry into Corporate Insolvency in Australia*, p 3, accessed 20 February 2025.
- 39 Australian Small Business and Family Enterprise Ombudsman (November 2018) *Cascading deemed statutory trusts in the construction sector: Working paper*, p 3, accessed 20 February 2025. Similar views expressed by Master Electricians Australia (2024) *Submission: Inquiry into Micro, Small, and Medium Businesses in the ACT Region*, Legislative Assembly for the Australian Capital Territory website, p 3, accessed 20 February 2025.
- 40 Murray Review, pp 304–309.
- 41 The net result of this, the Australian Constructors Association (ACA) contends, is that a trust model that imposes obligations throughout the supply chain will create ‘a heavy administrative burden [and] fiduciary duties which carry considerable legal implications for businesses that are arguably least able to manage and facilitate compliance with such requirements.’ Australian Constructors Association (2022) *Credit where credit’s due: Improving security of payment and liquidity in the construction industry*, p 8, accessed 20 February 2025.



A key risk with deemed statutory trusts is they may limit the ability of contractors and subcontractors to fund new projects, and entities will need to find alternative sources of funding for working capital. This may have broader impacts on growth, cost of construction and solvencies in the construction sector.⁴²

The Government notes the significant complexity of deemed statutory trusts and the diverse views of stakeholders and jurisdictions. Undertaking reforms as significant as statutory cascading trusts at a time of economic change could see an unintended consequence of increasing project funding costs and increasing insolvencies, particularly for small and medium participants in the sector.

Next steps

The Government recognises the adverse impact on business and workers when contractors unreasonably delay or withhold construction progress payments. It has already taken strong actions to elevate prompt payment culture through the overhauled Payment Times Reporting Scheme, the Commonwealth Supplier Code of Conduct and the Payment Times Procurement Connected Policy.

The Government will continue its work with unions and business representatives through the NCIF to develop effective arrangements to protect the security of payments for contractors down the supply chain. Key to this is the development of the Blueprint, which will identify and prioritise key challenges and develop a staged workplan for NCIF to consider appropriate solutions. The BMM also provides an established forum where states and territories may discuss security of payment matters, noting their primary legislative authority in this area.

While it is the responsibility of the states and territories to reform their security of payment legislation, the Government will take a leadership role in exploring options to improve security of payment to support small businesses in the building and construction sector.

The Government will continue to use broader policy levers to tackle vulnerabilities in the construction industry, such as those it has already used including measures to combat illegal phoenix activity, making unfair contract terms more identifiable and changes to competition policy.

In addition, the Government will seek ways to leverage Commonwealth procurement to support fairer payment practices and promote prompt payments for Government infrastructure investment by Government businesses undertaking major construction activity. The Secure Australian Jobs Code processes may include, in relation to the building and construction industry, a security of payment framework which establishes the Commonwealth as a model client.

42 The ACA cites the 2018 evaluation of Queensland's Building Industry Fairness Reforms as indicating that the introduction of statutory trust accounts in that jurisdiction would most likely increase contract prices by 2 to 3 per cent.

Appendix A: evolution of security of payment laws since the Murray Review

Table 1: summary of state and territory changes since the Murray Review

Jurisdiction	Security of payment reforms status
New South Wales	Security of payment legislation: <i>Building and Construction Industry Security of Payment Act 1999</i> (NSW). In 2019, implemented the majority of the Murray Review recommendations, including changes to adjudication application process, timeframes for claim processes and other minor and technical changes. In 2021, extended security of payment legislation to include owner-occupier construction projects. In 2024, amended the right to claim a progress payment if the claimant is unlicensed or does not have Home Building Compensation Fund Insurance if it is required. This was to close a loophole where unlicensed contractors could make a progress payment claim.
Victoria	Security of payment legislation: <i>Building and Construction Industry Security of Payment Act 2002</i> (Vic). In March 2023, the Victorian Parliament commissioned the Legislative Assembly Environment and Planning Committee's <i>Inquiry into employers and contractors who refuse to pay their subcontractors for completed works</i> . The final report was tabled on 28 November 2023 with 28 recommendations, many proposing significant amendments to the legislation. The Victorian Government responded on 18 October 2024, supporting 16 recommendations in full and 12 in principle or in part. The 16 recommendations supported in full entail legislative amendments repealing several elements of Victoria's legislation added in 2006 and making other changes that together will align the state's Act more closely with other states' legislation. Such legislation is expected to be introduced by mid-2025.
Queensland	Security of payment legislation: <i>Building Industry Fairness (Security of Payment) Act 2017</i> (Qld). Project bank accounts introduced and applied for certain government contracts with tenders between 1 March 2018 and 28 February 2021. From 1 March 2021, a new streamlined trust account framework commenced. This framework is gradually being phased in for all eligible building and construction contracts valued at \$1 million or more, both government and private. Queensland's Trust Account model differs from the Murray Review recommendation as it is not a 'deemed' model (requiring separate trust accounts for each trust) and applies to both progress payments and retention amounts. Changes in 2020 also included updates and improvements to progress payment claim and adjudication processes alongside other enhancements. Further minor changes made in 2024 to reduce complexity and the cost of compliance with the trust account framework.
Western Australia	In 2022, made significant changes to its framework with the commencement of the <i>Building and Construction Industry (Security of Payment) Act 2021</i> (WA) that aligned its framework with eastern states'. Reforms included rights to claim progress payments, processes for adjudication of disputes and implement retention money trust requirements. On 1 February 2024, the third and final stage of the new security of payment regime came into effect.
South Australia	Security of payment legislation: <i>Building and Construction Industry Security of Payment Act 2009</i> (SA). In 2021, drafted a bill to amend legislation to adopt some Murray Review recommendations. The Bill included improvements to the SA claim model but did not extend to the implementation of cascading trusts or retention money trusts. The Bill lapsed.
Tasmania	Security of payment legislation: <i>Building and Construction Industry Security of Payment Act 2009</i> (Tas). No updates since the Murray Review.
Northern Territory	Security of payment legislation: <i>Construction Contracts (Security of Payments) Act 2004</i> (NT). Since the Murray Review has only implemented minor and technical updates made in 2020.

Table 1: summary of state and territory changes since the Murray Review (continued)

Jurisdiction	Security of payment reforms status
Australian Capital Territory	<p>Security of payment legislation: <i>Building and Construction Industry Security of Payment Act 2009</i> (ACT). Since the Murray Review has amended legislation with minor and technical updates, including strengthening rights to progress payments and introducing maximum payment timeframes. The most recent changes took effect in March 2024.</p> <p>The ACT Government has committed to further reforms aimed at improving business practices and promoting fairer outcomes across the building and construction industry. This includes measures to support timely payments, prevent practices that leave subcontractors out of pocket, and improve avenues for payment in cases of insolvency. A comprehensive review of security of payment laws is planned to commence in 2025, with broad consultation across the sector to ensure these objectives are addressed.</p>

Table 2: alignment of state and territory legislation to key features of Murray Review best practice model

Recommended legislative feature	Jurisdiction							
	NSW	Qld	WA	Vic	SA	Tas	ACT	NT
Legislative regime to enable prompt payment of progress claims								
Statutory right to progress payments	✓	✓	✓	✓	✓	✓	✓	✓ ^(a)
Owner-occupier contracts eligible to receive payment claims	✓	✗	✓ ^(b)	✗	✗	✓	✗ ^(c)	✓
'Pay-when-paid' clauses prohibited or have no effect	✓	✓	✓	✓	✓	✓	✓	✓
Payment claim must state it is made under the Act	✓	✗ ^(d)	✓	✓	✓	✓	✓	✗
Recipient of a payment claim must respond with a payment schedule or become liable for claimed amount	✓	✓	✓	✓	✓	✓	✓	✗
Claimant has a right to suspend work	✓	✓	✓	✓	✓	✓	✓	✓
Act does not apply to a claimant corporation in liquidation	✓	✗	✓	✗	✗	✗	✗	✗
Legislation does not use reference dates	✓	✗	✓	✗	✗	✗	✗	✓
Adjudication process to determine payment disputes quickly and fairly								
Regulator to appoint adjudicators	✗	✓	✗	✗	✗	✗	✗	✓ ^(e)
Authorised Nominating Authorities (ANAs) to nominate/refer applications to adjudicators	✓	✗	✓	✓	✓	✓	✓	✓
Adjudication decision is reviewable	✗	✗	✓	✓	✗	✗	✗	✗
Claimant can serve a payment withholding request to recover payment from principal if respondent does not pay	✓	✓	✗	✓	✗	✗	✗	✗
Adjudication certificate can be filed as a judgement debt in court	✓	✓	✓	✓	✓	✓	✓	✓
Regulator prescribes maximum fees chargeable by an adjudicator	✗	✓	✓	✗	✓	✗	✗	✓
Regulator is not required to publish adjudication decisions	✓	✗	✓	✗	✓	✓	✓	✗
Protect payments made in respect of a payment claim								
Cash retentions to be held on trust	✓	✓	✓	✗	✗	✗	✗	✓ ^(f)
Deemed statutory trust model for contracts above \$1 million	✗	✓ ^(g)	✗	✗	✗	✗	✗	✗

(a) Implied provision per section 19 and Schedule 1, Division 3, clause 3 of the *Construction Contracts (Security of Payments) Act 2004* (NT).

(b) Generally, a progress payment claim may be made to an owner-occupier for home building work where the value of the contract is \$500,000 (including GST) or more.

(c) In certain circumstances progress payment claims may be made for residential building work where the resident owner is the owner-builder.

(d) This was previously a requirement in Queensland but repealed due to the regional nature of, and personal relationships within, the industry – it was seen as antagonistic approach that could inhibit use of the legislative protections. Queensland's legislation now goes further and automatically applies protections to payment claims.

(e) The Regulator is to appoint an adjudicator if an ANA fails to do so within the prescribed timeframe.

(f) Legislation makes it an implied provision of contracts that the principal holds any retention money in trust for the contractor.

(g) Queensland's project trust account framework is gradually being phased in to all eligible building and construction contracts valued at \$1 million or more, both governmental and private.