



ACT Government

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Taking the Territory forward

MEDIA RELEASE

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CONSTRUCTION INDUSTRY SECURITY-OF-PAYMENTS SCHEME

The ACT Government today announced funding of \$405,000 over four years to establish a security-of-payments scheme for the ACT building and construction industry.

Minister for Industrial Relations Andrew Barr said the scheme would facilitate reliable and prompt payments in the building and construction industry.

“Regular and timely payment for contractors, sub-contractors and suppliers has long been an issue in this industry nationwide. It can affect the viability of business, particularly small enterprises, that are highly dependent on regular cash flow for their continued existence,” Mr Barr said.

“Several jurisdictions including NSW have established similar schemes, which include a rapid adjudication system for payment disputes. These appear to have worked effectively and have significantly reduced instances of spurious claims and unfairly withheld payments.”

Mr Barr said the first stage in establishing the ACT scheme would be to undertake a scoping study of schemes in other jurisdictions in order to identify a model that would be most suitable for the ACT.

“Once we determine a model, it is likely the ACT Government will introduce legislation to form the basis of the scheme,” Mr Barr said.

It is expected that legislation would increase the speed of payment turnover and overall efficiency in the industry.

“This scheme will have a proportionately positive impact on small business and is consistent with the Government's commitment to make the ACT the most small business friendly jurisdiction in Australia.”

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