

# Protecting Building Industry Subcontractors



The Liberal-led Government is committed to ensuring there are sufficient protections in place for subcontractors completing work on government and non-government projects.

While a number of reform measures have already been implemented, a Liberal Government will continue to improve the security of payment for small businesses in Western Australia who simply want to get paid for the work they do.

## Fast Facts

- The building and construction sector accounts for more than 10% of WA's total workforce — almost 140,000 workers — and employs about 48% of all apprentices
- More than 40,000 small businesses operate in the sector
- Over the next four years the State Government will spend an estimated \$22.3 billion on major construction projects across transport, health, education and other areas
- WA now has some of the strongest payment protections for subcontractors in Australia

## Reform

The Liberal-led Government has made a series of improvements to the processes and protections in place for subcontractors working on government projects, including strengthening risk assessments and pre-qualification requirements for builders and improvements to reporting and administration of payments.

In 2016 the Liberal-led Government announced an unprecedented suite of measures to further protect subcontractors, including:

- Employing project bank accounts on Government projects valued between \$1.5 million and \$100 million, following a successful trial, to better protect subcontractor payments from head contractor failures. Project bank accounts operate like trust accounts, with funding quarantined to meet payment obligations to subcontractors;
- Introducing a tough *Construction Industry Code of Conduct* to stamp out inappropriate behaviour on worksites and in the industry, including provisions against price-fixing and the ability to sanction head contractors who fail to pay on time or include unfair contract terms. Companies who refuse to comply with the code can be banned from working on government projects;
- Reducing the time in which a head contractor must pay a subcontractor from 50 days to 30 business days, and increasing the deadline for lodging an application for adjudication from 28 days to 90 business days.

To enforce these changes, the Small Business Commissioner's dispute resolution role has been expanded and a dedicated Building and Construction Compliance Unit established.



## Our Commitment

Only a re-elected Liberal Government will:

- Ensure subcontractors are aware of their rights and the protections available to ensure they get paid for work they complete;
- Continue to work with industry to further improve security of payment measures;
- Enforce the Construction Code of Conduct — a code that the Labor party, beholden to the union movement, will not and cannot support.



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