



CCF WA MEDIA RELEASE

CCF WA welcomes Security of Payment reform

Western Australia's civil construction industry peak body congratulates the State Government on implementing key recommendations in the Fiocco report through the introduction of the *Building and Construction Industry (Security of Payment) Bill 2020* into State Parliament.

Civil Contractors Federation WA CEO Andy Graham said the proposed new Security of Payment laws and retention trust scheme were both welcome reforms.

"We're pleased to see the exemption for some types of resources sector construction work have been removed," Mr Graham said. "This will remove a grey area in the current legislation which has caused confusion for some contractors and clients. And as a matter of principle, there's no justification for excluding any type of construction work from legislation that is simply designed to ensure businesses get paid for the work they have done."

Mr Graham said the revision to payment times, with a maximum 20 business days payment for head contractors and 25 business days for subcontractors, achieved a fair and realistic balance, while the complementary introduction of a payment schedule regime was a welcome step forward to ensuring greater certainty and security of payment.

"The payment schedule process is well understood by our industry and regarded as fair to all parties," Mr Graham said.

CCF WA also supports the introduction of trusts for retentions. "This is a reasonable reform that will protect retentions in event of company failure," Mr Graham said. "Retentions should rightfully be held in trust as they are a portion of the payment that the contractor has already earned at the time of their retention."

The new legislation reduces the time available to make an application for adjudication, and also restricts the grounds for adjudication to matters included in the payment schedule. "These are both reasonable reforms which will give claimants greater and earlier certainty, and will also encourage a shift back to a faster, cheaper and less complicated adjudication process," Mr Graham said.

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