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MEDIA RELEASE

Project Bank Accounts not the answer to tradies problems: HIA

Queensland builders are set to be strangled by red tape if the Queensland Government proceeds with its costly and unnecessary move to introduce project bank accounts. Executive Director HIA Queensland, Michael Roberts said today.

“Project bank accounts is a complex and costly solution to the problem of under and non-payment of tradies,” said Mr Roberts.

“Despite the vast majority of building companies acting in a responsible and professional manner the Queensland government has determined that it will force businesses the majority of whom are not the cause of the problem of under and non-payment, to change the way they run their business.

“HIA has consistently highlighted the concern that the PBA model does not reflect the business practices of the small businesses that dominate the residential construction industry in Queensland.

“To develop a model based on the business practices of large national commercial building companies and then force small family owner building businesses to adopt the model is unrealistic.

“There will be unintended consequences. For example many subcontractors in the residential construction sector get paid fortnightly, under a PBA this won’t be practical and in all likelihood they will only be allowed to submit one invoice per month.

“Project bank accounts will see the introduction of around 17 million additional administrative processes every year into the day to day operations of Queensland’s building industry.

“Even if each of these processes cost a conservative \$20 to administer, that still represents almost \$350m a year in additional and ineffective regulatory burden on the industry.

“At time when building is slowing in Queensland, industry cannot afford shoulder this additional burden.

“There is no doubt that there is significant fallout whenever a head contractor business fails and these matters should not be dealt with lightly. However all businesses deserve to be paid “in full, on time, every time” not just sub-contractors.

“But rolling out PBA’s across the broader industry is not the answer and the Queensland Government should put its efforts into getting the most equitable and workable legislation possible. The approach of vilifying builders and building companies and pitching sub-contractors against builders is not an appropriate or responsible approach.

“We all know that wrongdoers exist in both camps. However the vast majority of builders are already doing the right thing. The legislation must be fair to all parties.

“Who will build the affordable housing options if smaller builders leave the industry?” Concluded Mr Roberts.

