1. Securing the payment of subcontractors within the building and construction industry in Australia has for many years been recognised as a very complex issue, with no simple solution.
2. A key difficulty in addressing the problem is the large number of different factors that can influence the payment process. These include contractual agreements, commercial relationships, supply chain arrangements, the financial position of the parties involved, business behaviour and ethics, management and allocation of risk, external market forces, investment and funding arrangements, and relevant laws, such as contract, tax and company laws.
3. The Government committed to conduct a wide-ranging review of security of payment laws for subcontractors in the building and construction industry.
4. The Department of Housing and Public Works conducted a thorough jurisdictional analysis to identify viable options to improve security of payment.
5. The review identified possible options to improve security of payment and a Discussion Paper has been developed to facilitate public consultation and feedback.
6. Cabinet noted the options identified in the Discussion Paper.
7. Cabinet approved the release of the Discussion Paper for public consultation.
8. *Attachments*
* [Discussion Paper on Options to Improve Security of Payment for Subcontractors](Attachments/Paper.pdf)