

Building and Plumbing Newsflash 630

A simplified trust account framework

Purpose

To inform industry about amendments to security of payment legislation that clarify and simplify the trust account framework.

Background

The Queensland Government implemented security of payment reforms in the building and construction industry through the [Building Industry Fairness \(Security of Payment\) Act 2017](#).

These reforms are aimed at addressing significant issues faced by industry contractors and subcontractors around prompt and fair payment for their completed work.

A key aspect of those reforms is the [trust account framework](#).

Following feedback from industry, amendments to the [Building Industry Fairness \(Security of Payment\) and Other Amendments Act 2024 \(BIFOLA\)](#) and associated [regulation](#) will commence from 1 July 2024 to reduce complexity and the cost of complying with the framework.

Security of payment changes

The changes do not introduce any new requirements under the trust account framework, and will support industry by:

- simplifying the definition of a 'subcontractor beneficiary' of a trust account (making it easier to understand who must be paid from the trust)
- simplifying the trust record keeping requirements, working with software providers to ensure there are compliant products available and continuing a transitional regulatory approach for the keeping of records until software is readily available
- pausing the requirement for independent account reviews in recognition of the record keeping and software constraints
- removing requirements for mandatory retention trust training
- clarifying that trust account balances are not included in minimum financial requirements reporting
- clarifying the transitional provisions that apply to new phases of the framework.

More information

See more information about the [security of payment amendments](#) and [future phases of the trust account framework](#).

Contact us

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