

## Comment – Myna Australia Pty Ltd

### Comment

My input is on state and local government legislation and regulation affecting construction productivity: BIF Act: <https://www.legislation.qld.gov.au/view/pdf/current/act-2017-043>, focussing on Project Trust Account (PTA) rollout of phase 3 and phase 4. My input is in favor of going ahead with the roll out of remaning phases.

## Submission to the Queensland Productivity Commission: Support for Project Trust Accounts Rollout

To the Queensland Productivity Commission,

Thank you for the opportunity to provide input into the Inquiry on construction sector productivity. I wish to address the urgent need for the statewide rollout of Project Trust Accounts (PTAs) in Queensland for the remaining phases, a reform that promises to transform the construction industry by increasing trust in builders, reducing insolvency, and streamlining compliance.

### 1. Assessed Software Solutions Are Readily Available

Contrary to concerns about increased administrative burden, there are now multiple government listed-self assessed software solutions that automate the management of trust accounts from payment claims to reporting of both Project Trust Accounts (PTA) and Retention Trust Accounts (RTA) available. Not just that, there are many more software providers already working with QLD Government on getting themselves listed here: <https://www.housing.qld.gov.au/news-publications/legislation/building/trust-accounts/assessed-trust-solutions>

### 2. Reducing Red Tape and Administrative Burden

The perception that PTAs increase red tape is outdated. Generally, most of the builders make payment only up to twice a month to subcontractors. Modern trust account platforms:

- Streamline onboarding and ongoing management of projects
- Automate notifications and reconciliations
- Provide templated documentation like statements, payment schedules, remittance advise for compliance
- Generate .aba files to make bulk payments to save substantial amount of time.

This means that, rather than adding complexity, PTAs-when paired with the right software like BuildTrust-reduce administrative friction and free up resources for productive work and stay compliant with BIF Act.

### 3. Protecting Subcontractors and Reducing Insolvency

A core benefit of PTAs is the protection of payments for subcontractors. By ring-fencing project funds in a separate trust account, and appointing the builder as trustee:

- Funds are safeguarded from being used for unrelated purposes
- Subcontractors are paid on time, reducing the risk of cascading insolvencies
- Builders are trusted more by developer for managing cash flow responsibly
- Discourage voluntary insolvency by some dodgy builders as the funds are not easily available for misappropriation before filing for insolvency.

#### 4. Boosting Confidence and Productivity

Widespread adoption of PTAs will:

- Increase confidence in the construction sector, attracting more investment and skilled labour; imagine if an overseas investor would like to invest in a construction project in QLD. As soon as that investor is assured that the funds will be kept in a separate trust account; the impact it will make on their decision making.
- Reduce disputes and litigation over payments; rules are very straight forward.
- Enable faster project delivery by ensuring reliable cash flow throughout the supply chain

#### 5. Recommendation

I strongly urge the Commission to prioritise the full rollout for remaining phase 3 and phase 4 of Project Trust Accounts across Queensland, supported by the educational initiatives by industry body wherever necessary. This reform is once in a lifetime opportunity and today major banks and software providers are already onboard with this terrific initiative and will:

- Modernise the construction industry and QBCC can play a major role by creating awareness, clear communications, ongoing support, phased implementation and incorporating flexibility around PTA rules
- Protect vulnerable businesses as most of the subbies are small business owners
- Reduce regulatory overhead on builders and subbies as the guidelines are very clear and software providers are going to assess their software against these guidelines to get listed
- Enhance sector productivity by attracting more investments as for investors, they also want to see their funds going into a separate trust account instead of a normal business account.

Thank you for your consideration.

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