

Construction Alert

Queensland building and construction industry reforms

Building and Construction Industry Payments Act 2004 (Qld)

WHAT YOU NEED TO KNOW

- The Queensland Building and Construction Commission (**QBCC**) will take on the role of appointing adjudicators to cases.
- The standard timeframe for a respondent to provide an adjudication response will be extended from 5 business days to 10 business days.
- The timeframes for a respondent to provide a payment schedule and an adjudication response will each be extended from 10 business days and 5 business days respectively, to 15 business days for large or complex cases.

On 9 April 2014, the Queensland Government announced details of reforms to the *Building and Construction Industry Payments Act 2004 (Qld)*.

Key areas of reform

The appointment of adjudicators

The reforms will introduce a single Adjudication Registry within the QBCC. The registry will take over the role of appointing adjudicators to cases, a role currently being performed by authorised nominating authorities. The registry will maintain a list of adjudicators, including information about their skills, knowledge, experience and availability. Adjudicators will be appointed to cases based on this information.

Timeframes

Proposed new timeframes under the reforms include:

- Reducing the time in which a payment claim can be made from 12 months to 6 months after the construction work was last carried out, unless otherwise provided in the contract.
- Extending the time for a respondent to provide an adjudication response in claims other than large or complex claims from 5 business days to 10 business days.

- For large or complex claims, being claims involving more than \$750,000 or involving a latent condition or a time related cost:
 - extending the time for a respondent to provide a payment schedule from 10 business days to 15 business days;
 - further extending the time for a respondent to provide a payment schedule to 30 business days if the claim is served more than 91 days after the reference date; and
 - extending the time for a respondent to provide an adjudication response from 5 business days to 15 business days, with discretion for the adjudicator to grant a further additional 15 days.

Timing of reforms

The reforms are expected to be introduced in Parliament mid-year, and come into effect on 1 September 2014.

The amendments will only apply to contracts entered into after the commencement of the legislation. All adjudication applications made on or after the effective date will be required to be made to the Adjudication Registry of the QBCC.

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