

[REDACTED]

The Commission would like to test its understanding of the costs and benefits associated with trust account obligations in Queensland, in particular:

- stakeholders' experience of complying with trust account obligations in Queensland and the time and resources involved

At [REDACTED], we provide trust accounting solutions to various industries. BuildTrust.com.au is one that helps builders in QLD meet Project and Retention Trust Accounts requirements. This feedback is based on our couple of clients managing projects sized below \$10 million. Both our clients running a couple of projects simultaneously. One builder undertaking public school projects and the other industrial construction projects.

First client uses MYOB to manage their books of accounts and the second uses Xero. First client uses PayApps for payment claims and the second uses Xero. Both have been able to change their processes to flow the funds through project trust accounts. BuildTrust has been instrumental in making it easy for them because it works with their existing payment claims and accounting systems.

Our observation:

Our clients—builders managing projects under \$10 million and running multiple projects simultaneously—have successfully integrated PTAs into their operations using mainstream accounting systems such as MYOB and Xero, alongside platforms like PayApps. Crucially, neither of these clients has required additional staff or external support to comply with PTA obligations. The same staff were able to manage projects smoothly, demonstrating that PTAs are not an administrative burden when supported by the right software. In practice, this means compliance is straightforward, well-structured, and scalable.

- how impacts differ across projects of different sizes (for example, contracts valued above/below \$10 million)

Projects just above \$1m and below \$3 mil, hardly requires much of the efforts and it's very straight forward. For project above \$3m and below \$10 mil requires more efforts due to large volume of claims because variations and Retention Trust Accounts are involved. In one project, switch was made from one project trust software to the other and as a result initial few days very painful but once all the migrations were done, it was business as usual. Since software allows for entering claims individually as well as in bulk, for new projects, efforts are minimal.

Our observation:

Even when one project transitioned from one PTA platform to another, the challenges were short-lived. After the initial migration, the system worked seamlessly, reaffirming that PTAs deliver long-term efficiency gains and are flexible enough to adapt to different project environments.

- whether stakeholders have observed reductions in contract pricing that could be attributed to the presence of trust accounts and a lower risk of delayed or non-payment

No reduction in contract pricing can be attributed directly.

Our observation:

PTAs create transparency across the entire payment chain. Builders can predict upcoming dues with accuracy and draw down funds in a structured and compliant manner.

Subcontractors benefit from the guaranteed beneficial interest created by PTAs, which significantly reduces the risk of delayed or non-payments.

This level of financial security ultimately reduces disputes, claims, and pricing premiums that subcontractors might otherwise build into their contracts to offset risk. The result is fairer pricing across the industry and a more trustworthy marketplace.

- whether trust account regulation is a significant impediment to undertaking construction projects in Queensland

Not at all. It's a business as usual now once you get used to the PTAs and RTAs. It's the initial first week of change management and fear of change but then it hardly makes any difference.

The Commission is seeking further information on:

- whether trust accounts have been effective in reducing cases of non-payment in the Queensland construction industry

Right software brings transparency on the state of cashflow and as a result, all the future dues can be predicted, and remaining funds can be drawn instead of randomly drawing and topping up funds. Since the beneficial interest is already created in the software for all the outstanding amounts due to subcontractors, clearly it reduces the risk of non-payment.

- how trust accounts affect the way stakeholders operate and manage their finances (for example, cash flow)

Trust Accounts with the help of right trust accounting software help manage finances well mainly because of two reasons: 1. In Trust Accounting Software, trial balance is produced based on beneficiary balances (unlike chart of accounts-based trial balance in bookkeeping software) and 2. Cashflow forecasts show how much is left after accounting for all the upcoming payments (beneficial interests of subcontractors).

Our observation:

Perhaps the most important benefit of PTAs is the way they improve financial discipline and cashflow management. Builders gain real-time visibility over available funds, upcoming obligations, and future cash positions. This makes running complex projects more predictable while ensuring subcontractors are paid appropriately and without delay.

Rather than drawing or topping up funds arbitrarily, PTAs enforce best practices in financial management. The result is a healthier construction ecosystem where the flow of money is controlled, transparent, and fair for all parties.

- the adequacy of existing alternatives available under the security of payment framework

Trust Account is better because the framework and optional features come with

1. Subcontractor General Ledger / Periodic statements
2. Cashflow forecasts (optional)
3. Progress Payment reports (optional)
4. Trial Balance based on beneficiaries
5. Monthly Bank Reconciliations
6. Retention Trust Account to manage retention amounts and associated General Ledger
7. Payment Schedules and its Variations for PTA
8. Payment Remittance Advice for PTA and RTA
9. Advanced Reports and Filters
10. Contract Management (optional)

Since BuildTrust already does all above, we don't need to think of any other mediocre alternatives.

- availability of technological solutions to meet trust account obligations.

<https://www.housing.qld.gov.au/news-publications/legislation/building/trust-accounts/assessed-trust-solutions>