

# Industry Bulletin 159

## Security of Payment Compliance Program

In September 2021 the State Government published an [Action Plan for Reform](#) for implementing reforms under the *Building and Construction Industry (Security of Payment) Act 2021* (SOP Act). On 1 February 2024 Stage 3, the final stage of the SOP Action Plan for Reform, commenced operation.

Building and Energy's Enforcement Branch is initiating a compliance program to coincide with the commencement of the final stage of the SOP Act reforms.

The SOP Compliance Program aims to improve building industry awareness and promote compliance with the SOP Act reforms through compliance inspections, rather than relying solely on traditional enforcement methods. The SOP Compliance Program also aims to educate registered building service providers about the SOP Act, as well as all subcontractors/suppliers they contract.

The SOP Compliance Program will involve data-driven and risk-based compliance inspections of registered building service providers monitoring compliance with various aspects of the SOP Act reforms, including:

- Construction contracts to be in writing and include mandatory information.
- Provisions of the retention trust scheme.
- Building Contractors to give written notice to the Board of the appointment of a new company director.
- Non-payment of 'building service debts'.

Inspected building service providers will be given the opportunity to rectify any identified non-compliance. Further enforcement action may be taken if the building service provider makes no effort to implement the required rectifications.

Building and Energy has a range of educational materials available to assist building service providers understand and comply with the SOP Act reforms, including:

1. [Educational videos](#) and [fact sheets](#) on the new security of payment laws;
2. [User guides and templates](#) for making and responding to payment claims;
3. A [contract template](#) (for small value construction contracts);
4. A [Factsheet](#) and [Retention Money Trust Accounting Guidelines](#) to assist industry understand retention money reforms;
5. [Industry updates](#) on changes to registration requirements for building service providers; and
6. [User guides](#) for the rapid adjudication process.

**Disclaimer** – The information contained in this fact sheet is provided as general information and a guide only. It should not be relied upon as legal advice or as an accurate statement of the relevant legislation provisions. If you are uncertain as to your legal obligations, you should obtain independent legal advice.

**Building and Energy**

Department of Energy, Mines, Industry Regulation and Safety

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