

## Article Information

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## QBCC Reprieve for Civil Contractors and Developers?

**In a recent [Insight](#), we highlighted the looming, harsh consequences for civil contractors and developers if the *Head Contractor Exemption* to QBCC licensing requirements is repealed on 24 July 2022.**

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A reprieve now seems likely, with the recent introduction to Queensland Parliament of (yet another) amending Bill<sup>[1]</sup>, amending the amending Act.

Among other things, the latest Bill (if enacted) would reverse the removal of the *Head Contractor Exemption*. However, additional licensing requirements might subsequently be imposed through regulation (rather than statute).<sup>[2]</sup>

Consistent with observations made in our earlier [Insight](#), the explanatory notes to the Bill explain:

*“Subsequent consultation has showed reliance on the exemption in commercial contracting, including development agreements, agreement for lease, and numerous projects and contracts that involve a minor element of building work. If the repeal were to proceed, such businesses would likely face increased administrative and cost burdens to undertake work which is ancillary to their business.”<sup>[3]</sup>*

This compares to submissions considered by Parliament in July 2020, when the *Head Contractor Exemption* was removed<sup>[4]</sup>, including:

- Master Builders Queensland’s characterisation of the *Head Contractor Exemption* as a ‘loophole’ <sup>[5]</sup>
- Queensland Plumbers Union’s concerns that *Head Contractor Exemption* potentially undermines the licensing framework, highlighting the necessity to ensure that work which is critical to the safety of buildings is performed by appropriately trained and qualified individuals.<sup>[6]</sup>
- National Fire Industry Association’s concerns that the *Head Contractor Exemption* undermines QBCC’s licensing regime, and was no longer appropriate in a modern licensing framework.<sup>[7]</sup>

The Transport and Resources Committee is considering the Bill and is due to report back by 13 May 2022.<sup>[8]</sup> It will no doubt carefully weigh the impact of loss of the *Head Contractor Exemption* upon developers and civil contractors against the safety and building integrity concerns raised previously together with the potentially complex interaction of QBCC’s licensing requirements (including QBCC’s Minimum Financial Requirements for licensees) with other Queensland legislation (including requirements for Project Trust Accounts).

Watch this space!

Piper Alderman’s Project & Construction Team has recognised expertise liaising with QBCC to support clients through both QBCC licence applications and QBCC licence reviews.

*This article has been written for general educational purposes only, and is not to be taken as legal advice.*

<sup>[1]</sup> *Building and Other Legislation Amendment Act 2022*, Part 35 (amending the *Building Industry Fairness (Security of*

Payment) and Other Legislation Amendment Act 2020).

[2] See Explanatory Note, *Building and Other Legislation Amendment Bill 2022* (Qld) 3, 20.

[3] Explanatory Notes, *Building and Other Legislation Amendment Bill 2022* (Qld) 3. See also p10 of the same document.

[4] See s125A of *Building Interest Fairness (Security of Payment) and other Legislation Amendment Bill 2019* (Qld).

[5] Transport and Public Works Committee, 'Building Industry Fairness Security of Payment and Other Legislation Amendment Bill 2020' (Report, March 2020) 70.

[6] Transport and Public Works Committee, 'Building Industry Fairness Security of Payment and Other Legislation Amendment Bill 2020' (Report, March 2020) 71.

[7] Transport and Public Works Committee, 'Building Industry Fairness Security of Payment and Other Legislation Amendment Bill 2020' (Report, March 2020) 71.

[8] Queensland, Parliamentary Debates, Legislative Assembly, 29 March 2022, 636-637 (Michael Hart).