



Construction Payment Protection Platform
www.ipex.com.au

Construction insolvencies continue to rise

- The construction industry has the highest rate of insolvency across all industries in Australia
- Industry-standard processes aimed at detecting non-payment of subcontractors & suppliers are largely ineffective – they are easily circumvented by a distressed builder
- By the time issues escalate to the point of being identifiable by the developer/lender, the money is typically gone; builders almost always enter administration owing large sums of money across multiple progress claims

More construction giants will fold, expert warns, as 'perfect storm' hits building sector
By Mark Samokorokko - Senior Journalist

www.news.com.au • finance • business

What happened to construction giant Probuild after \$250m collapse
Oct 24, 2022 · When construction giant **Probuild** collapsed earlier this year, administrators Deloitte revealed they were facing a "nightmarish" situation with at least 2300 individual creditors identified...
Author: Sarah Sharples

Stokes Wheeler owes almost \$20m to creditors and staff, no money...
Mar 4, 2025 · Administrators have revealed a veteran Gold Coast building company owed almost \$20m when it went into administration last month, with unsecured creditors unlikely to see a cent i...

Another construction company on verge of collapse after calling in administrators
11 Adam May 23 2024

Calls for greater transparency in construction industry as another major Aussie builder buckles

Stevens Construction: \$400 million NSW building company collapses...
www.9news.com.au • national • stevens-construction-liquidation
Jul 16, 2024 · NSW building company **Stevens Construction** has collapsed two months after going into **voluntary administration**. The firm had a portfolio worth more than \$400 million, ranging from...

More than \$1.1b of projects caught up in Dyldam's latest failures
www.news.com.au • finance • business
Lanskey Constructions QLD owes more than \$11m to hundreds of...
Nov 8, 2022 · A major construction company owned by Melbourne Cup winner Paul **Lanskey** owes more than \$11m to creditors, including the Australian Taxation Office, along with hundreds of...

Roberts Co owes Victorian tradies \$50m
FINANCIAL REVIEW MICHAEL BLEBY | MAR 24, 2025

Construction insolvencies come racing out of the blocks in FY25
afr.com

PBS Building fails, work stops on Doma, Stockland, Marquee projects

EQ Construction collapse: Calls for greater transparency in ...
www.9news.com.au • national • nsw-building-company-eq
Feb 14, 2023 · Luxury New South Wales apartment builder **EQ Constructions**, who went into administration earlier this month, currently owes up to \$50 million and is the latest in a long list of...

Element Five and V-Struct entities collapse after VCON...
www.heraldsun.com.au • news • victoria
Mar 17, 2025 · Element Five and Element Five (Aust) entered liquidation and voluntary administration respectively on Thursday last week. VCON and Element Five...

Pindan creditors still in the dark over chance of recouping payments from collapsed company

A Current Affair: Tradies chasing \$60m from collapsed builder...
9now.nine.com.au • a-current-affair • nsw-construction-giant
1 day ago · **Quasar Constructions** was contracted to major building projects for large Aussie companies including Woolworths. (Nine) Crawford told administrators the reason **Quasar** failed w...

Developers say they've lost \$57m in GCB Constructions collapse
goldcoastbulletin.com.au

Michael Bleby (He/Him) • Following
Deputy Property Editor, The Australian Financial Review at vne
2d •

By Joe Attanasio | 10:15am Feb 14, 2023

New financial year, old financial story: Building insolvencies are still punching above their weight, as companies, particularly still struggle with the weight of fixed-price contracts. Construction companies account for 17pc of businesses and nearly 26pc of insolvencies for the first six weeks of FY25. ASIC figures show.
#construction #insolvency

Protect against the risk/impact of **builder insolvency**

IPEX combines legal protections with practical controls to:

- 'ring-fence' funds to your project; only verified subcontractors & suppliers linked to your project can be paid from the IPEX account
- provide project owners with high-level visibility over account transactions: subcontractor and supplier payments can be cross-checked against each certified claim
- help to identify & remedy non-payment of subcontractors **before further claims are approved**
- enable escalation of oversight/control with repeated breaches & act on legal protections before a builder enters administration
- provide a clear audit trail should the builder enter administration.

The screenshot displays the IPEX Standard Developer View interface. At the top, there's a 'Project Summary' section with tabs for 'WITHDRAWAL APPROVALS' and 'BUILDER ALLOCATIONS'. Below this, a table lists subcontractors with columns for Company, Trade Works, Contract % Paid, Retention, % Held, Payments, Date, and Active status. The 'ABC Electrical' row is highlighted in red, indicating a non-payment within a given month. Callouts provide additional context: 'Developers can see which subcontractors & suppliers have been paid, date of last payment & % of contract paid.' and 'Non-payment of a subcontractor within a given month is easily identified'.

Project Summary

DEVELOPER: DEVELOPER 1
BUILDER: BUILDER 1
ACCOUNT NAME: PROJECT 1
BSB NUMBER: 011-011
ACCOUNT NUMBER: 86732345

APPROVED SUBCONTRACTORS
5

LAST PAYMENT
14 May 25

Company	Trade Works	Contract % Paid	Retention	% Held	Payments	Date	Active
ABC Concrete 3213765859	Concrete	36%	Yes	2%	2	14 May 25	☒
ABC Plumbing 6537859312	Plumbing	30%	Yes	2%	2	14 May 25	☒
ABC Earthworks 5859321376	Earthworks	58%	Yes	3%	3	11 Apr 25	☒
ABC Electrical 5937652183	Electrical	10%	Yes	1%	1	14 Jan 25	☐
ABC Demolition 3765859321	Demolition	100%	Yes	5%	2	07 Feb 25	☒

Developers can see which subcontractors & suppliers have been paid, date of last payment & % of contract paid.

Non-payment of a subcontractor within a given month is easily identified

IPEX Standard Developer View (Open Book transparency also available)

Ensure project funds reach subcontractors & suppliers

HERE IS THE ABA PAYMENT FILE YOU'RE IMPORTING
Review your ABA file to ensure it is correct

Account Name	BSB	Account Number	Amount	Description
ABC Demolition	878-272	62738943	\$52,800	IPEX Apartments
ABC Earthworks	873-890	16784563	\$37,890	IPEX Apartments
ABC Concrete	654-887	44444541	\$84,750	IPEX Apartments
ABC Plumbing	031-672	15325784	\$37,212	IPEX Apartments
Builder 1	031-031	76298411	\$97,555	IPEX Apartments

Your ABA payment file has failed. Please review the ABA file & re-submit.

- There is no creditor with the indicated BSB/Account Number linked to this project.
- There is no creditor with the indicated BSB/Account Number linked to this project.

IPEX does not allow payments to entities unless they have been onboarded & linked to the specific project.

IPEX also checks BSB & Account Numbers in ABA files against those provided directly by the subcontractors & suppliers to prevent errors/fraudulent payments

- No change to subcontractor/builder claim or QS assessment process
- Once a claim is approved, funds are paid into the builders' IPEX account, not their everyday operational account
- Builders can access payment for their preliminaries, margin & any direct costs
- The balance of each progress payment is set aside & can't be withdrawn by the builder – these funds can only be used to pay verified subcontractors & suppliers linked to the project
- All subcontractors/suppliers linked to the account are subject to full AML/KYC checks & bank account details are manually verified

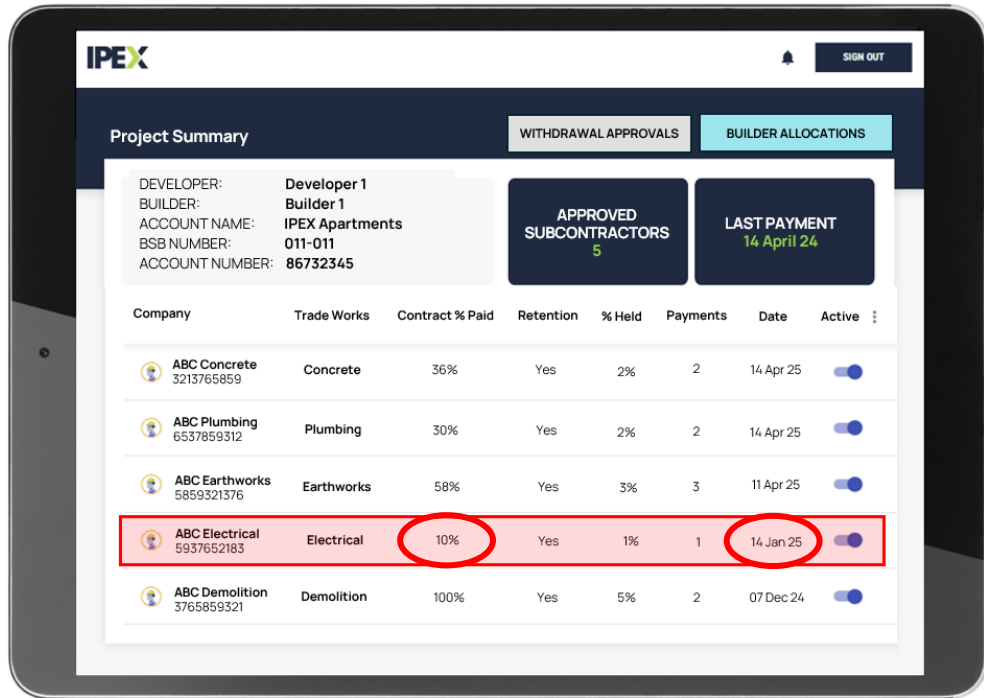
Certified vs Paid: validating the builders' 'stat dec'

In this example, IPEx shows that the electrical subcontractor has not been paid since January *despite Electrical Services being included in the builders' March claim*. The amount paid to date is also significantly lower than the amount already certified. **The developer can now act on this information before approving the April claim.**



IPEX Apartments: Claims Assessment – March 2025

Item	Approved budget	Completed to date (\$)	% Complete	Amount previously certified	This claim
Demolition	\$1,000,000	\$850,000	85%	\$850,000	\$150,000
Earthworks	\$1,000,000	\$700,000	70%	\$700,000	\$150,000
Concrete	\$1,000,000	\$120,000	12%	\$120,000	\$200,000
Plumbing services	\$1,000,000	\$80,000	8%	\$80,000	\$200,000
Electrical services	\$1,000,000	\$240,000	24%	\$240,000	\$100,000
Subtotal construction costs					\$800,000
Preliminaries	\$3,000,000	\$2,100,000	70%	\$2,100,000	\$120,000
Margin	\$1,000,000	\$700,000	70%	\$700,000	\$80,000
Subtotal builder costs					\$200,000
Total amount certified for payment in this claim					\$1,000,000



Access transaction history in a builder insolvency event

IPEX

Project Summary

WITHDRAWAL APPROVALS

BUILDER ALLOCATIONS

DEVELOPER: Developer 1
BUILDER: Builder 1
ACCOUNT NAME: IPEX Apartments
BSB NUMBER: 011-011
ACCOUNT NUMBER: 86732345

SUBCONTRACTORS 5
LAST PAYMENT 14 May 24
PROJECT BALANCE \$2,799,049.10
RETENTION BALANCE \$93,064.82
PAID TO BUILDER: \$1,041,680.78
WITHDRAWAL AVAILABLE: \$250,000

PAYEES SUMMARY

Company	Trade Works	Retention	Contract	Paid to Date	% Paid	Payments	Date	Active
ABC Demolition 5765859321	Demolition	Yes	\$1,000,000	\$1,000,000	100%	2	07 Feb 24	☒
ABC Earthworks 5859321376	Earthworks	Yes	\$2,000,000	\$2,076,000	103%	3	01 Apr 24	☒
ABC Concrete 3213765859	Concrete	Yes	\$3,000,000	\$1,830,000	61%	4	14 May 24	☒
ABC Plumbing 6537859312	Plumbing	Yes	\$1,000,000	\$300,000	30%	2	14 May 24	☒
ABC Electrical 5937652183	Electrical	Yes	\$1,000,000	\$100,000	10%	1	14 May 24	☒

TRADE PAYMENT SUMMARY

- All transactions made via IPEX are tracked & documented, providing a clear audit trail should the builder enter administration
- Project owners/developers receive immediate and full details of subcontract values & account transaction history in a payment default/external administration event, allowing prompt execution of an effective remedial response

TRANSACTIONS: ABC Concrete

PAID TO DATE
\$1,839,000.00

RETENTION BALANCE
\$150,000.00

DATE	AMOUNT	DESCRIPTION	STATUS
10 February 2025	\$245,000.00	IPEX Apartments	Processed
13 March 2025	\$435,000.00	IPEX Apartments	Processed
14 April 2025	\$750,000.00	IPEX Apartments	Processed
14 May 2025	\$400,000.00	IPEX Apartments	Processed

IPEX goes 'builder-friendly'

IPEX Monitor: subcontractor payment transparency without the awkward builder conversations...

IPEX Monitor operates under the same principles as the standard IPEX platform, but *builder withdrawal restrictions are removed*.

Prelims, margin and additional letting gains can be withdrawn from the project account without developer oversight or approval however, the payment transparency remains to deter 'bad' behaviour & ensure that there are immediate consequences for non-payment.

IPEX Monitor greatly reduces subcontractor non-payment risk for developers & lenders *without limiting the builder in any way*.



Limit your risk; identify payment issues before approving the next claim



Payment default/financial distress triggers escalation to full suite of IPEX protections



Full project account transaction history provided in an insolvency event

Developer protections and rights

Industry-standard processes

IPEX
MONITOR

IPEX

Require the builder to submit a 'stat dec' confirming they've paid all relevant subcontractors & suppliers



Access to subcontractor & supplier payment information allowing validation of builder 'stat dec'



Ability to identify non-payment of relevant subcontractors/suppliers before approving subsequent claims



Ability to limit builder access to subcontractor/supplier portion of each progress payment



Make builders' payment conditional on the 'on time & in full' payment of subcontractors & suppliers



Developer right to escalate transparency & control under 'financial distress' / payment default events



Developer right to access full account transaction history in a 'financial distress' / payment default event



Testimonials

What our partners say



"At Frasers, we take our commitment to every project, and every investor, builder, subcontractor, supplier, and customer we work with seriously. That means putting in place financial frameworks and processes to ensure that every dollar is used for its intended purpose, and there is full accountability and transparency over the budget for a project."

"We're so excited about the Encompass development, which has a real 'wow' factor, and through IPEX we're better positioned to deliver the project securely and successfully."

Sarah Bloom

General Manager Development Victoria



"From the moment I understood what IPEX provided I had no hesitation in introducing it to BlueScope. With such a major capital works project it was clearly a very prudent risk management tool. With hundreds of millions of dollars being paid to suppliers and subcontractors through major contractors, securing certainty that monies were being delivered into the accounts of the substantial number of subcontractors and suppliers was critical."

Steve Chandler

CEO



"After a year of utilising the IPEX platform on one of our key commercial construction projects, the experience has been overwhelmingly positive. The platform's user interface and our customer service experience have exceeded our expectations, significantly bolstering the security and efficiency of our collaboration with the builder. The adoption of IPEX has been embraced by the builder and it provides additional comfort to trades particularly with the current construction industry challenges."

John Vickers

Director

Who we work with:



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