



Invoices and Payment Practices

February 2019 Roadshow

Discussion

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Background

Everyone deserves to be paid in full and on time.

- Issue of late or non-payment
- New laws under the BIF Act
- Changes to payment practices, payment disputes and retentions
- Impacts the majority of people in the building and construction industry

Company collapse

Unpaid debts

Insolvency

What does this mean for you?

Changes to payment claims (invoices)

- Do not require “endorsement”
- Improved communication between parties
- Every payment claim should be paid and/or responded to
- A payment schedule is required if you don’t agree or are not paying the amount in full

Who can be a respondent?

Respondent = a person who receives an invoice

- ✓ Developer
- ✓ Contractor ordering supplies or further contracting out work
- ✓ Owner builder
- ✓ Investment property owner
- ✓ Property manager
- ✓ Business/commercial property owner
- × Resident owner
- × Invoices for work outside of QLD

Payment Schedules

Not required if paying in full by the due date

- Must give **within 15 business days** (or time in contract if shorter)
- Must pay scheduled amount

A payment schedule is a written document that:

- ✓ Identifies the payment claim
- ✓ States the amount (if any) you are willing to pay
- ✓ Includes **ALL reasons** for not paying or paying a lesser amount

Common Questions

How do I give a payment schedule?

A payment schedule should be issued as per your contract or as agreed by both parties.

When would I give a payment schedule?

When you are not going to pay the full amount by the due date.

Payment by the due date

You must still pay the scheduled amount by the due date – a payment schedule does not mean that you can delay payment of undisputed funds.

Common Questions - continued

If I fail to provide a payment schedule, do I have to pay the full amount of the claim?

Yes, you are required to pay the amount claimed in full.

If you don't, the claimant may suspend work or start a dispute resolution process. It is also an offence and QBCC may take disciplinary action.

What happens if I provide a payment schedule late?

You may be liable to pay the amount claimed in full. Contact the other party and consider payment of the amount in full.

What are the timeframes calculated from?

The date that you receive the payment claim.

Common Questions - continued

Do the changes apply to existing contracts?

Yes, they apply to any payment claims given on or after 17 December 2018.

What about invoices from suppliers? Do I have to provide a payment schedule?

If you are paying the amount in full then no. If you disagree with the amount claimed then yes.

If I don't have a contract, what is the due date for payment?

10 business days from receipt of the payment claim.

Remember...

Make sure that you action all invoices that you receive:

Agree with the amount claimed? **Pay on time.**

Agree with part of the amount? **Pay and respond with a payment schedule.**

Don't agree? **Respond with a payment schedule** including ALL reasons.

Payment Claims (Invoices)

When to give an invoice?

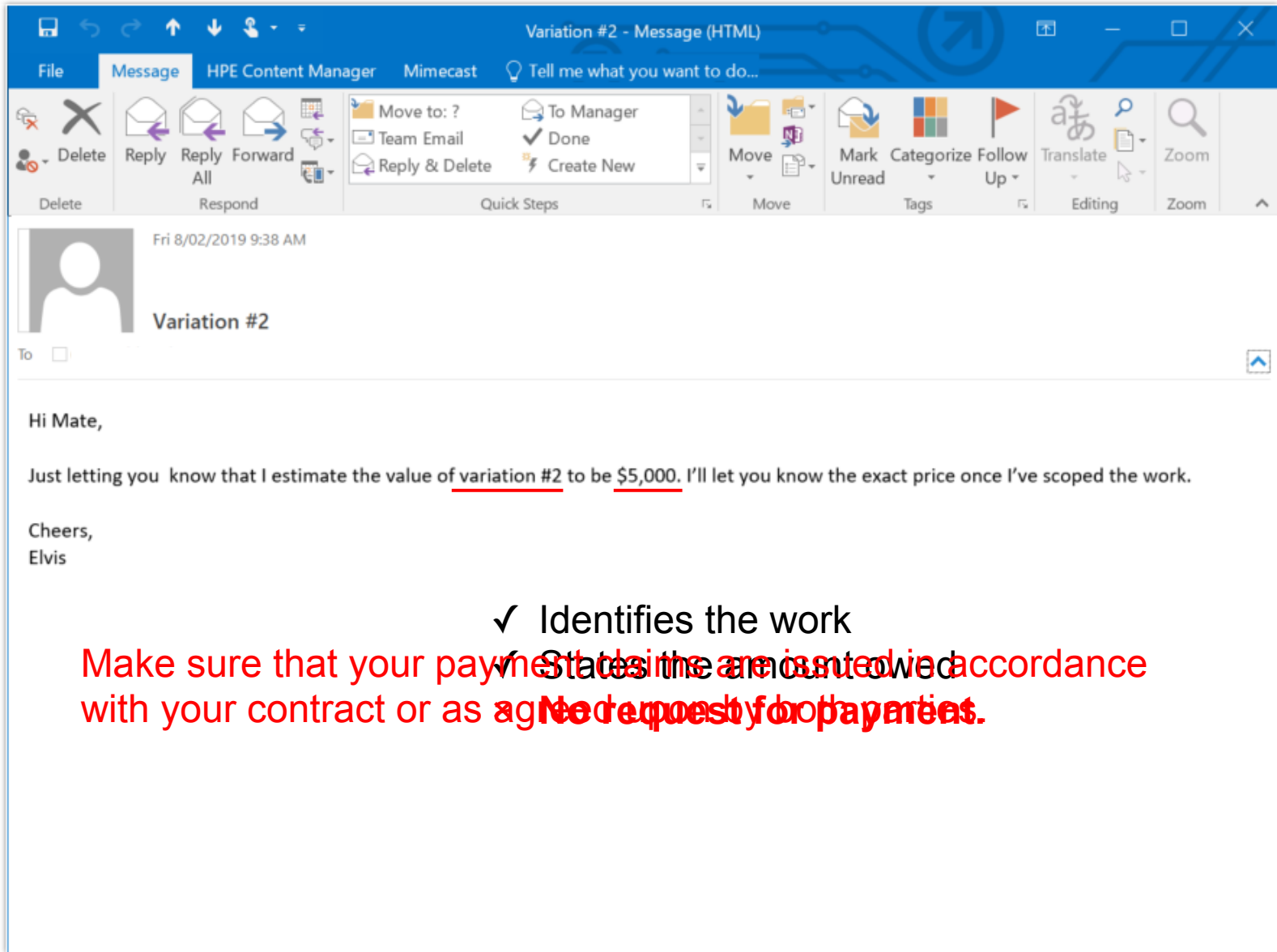
- On or after a reference date
- Only one per reference date
- Within correct timeframes of when work was completed:
 - progress payments – 6 months
 - final invoices - 6 months or 28 days of end of defect liability period

Payment Claims (Invoices)

What to include on your invoice?

A payment claim is a written document that:

- identifies the work or goods and services
- states the amount owed
- requests payment



✓ Identifies the work

✓ States the amount owed

Make sure that your payments are issued in accordance with your contract or as a ~~request for payment~~.

Payment Claims (Invoices)

What to do if your invoice is not paid?

1. Contact the other party
2. Include the amount owed in your next invoice
3. Consider your rights to suspend work
4. Consider your payment dispute options
5. Lodge a complaint with QBCC

Defects and Retentions

New Notice of End of Defects Liability Period form

- Contractors must give notice within specific timeframes.

Statutory defects liability period

- 12 months from practical completion.
- Only if retentions or securities are withheld and the contract doesn't provide a specific timeframe for release.

Failure to pay retention amount

- Must release retention amount in accordance with the contract.
- Significant penalties apply.

Better outcomes for everyone

The new laws have been introduced to improve communication and cash flow for everyone.

Change is required and we need your help:

1. Issue valid payment claims
2. Pay or respond to all payment claims received
3. Action any payment claims that are outstanding

Questions?

General questions:

- www.qbcc.qld.gov.au/protecting-your-payment-rights
- '*Protecting your payment rights*' booklet
- QLDBuildingPlan@qbcc.qld.gov.au or call 139 333

Adjudication questions:

- www.qbcc.qld.gov.au/adjudication
- Registry@qbcc.qld.gov.au
- or call 139 333 and select option for adjudication

Thank you!

Need more information?

Visit qbcc.qld.gov.au



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