

Payment disputes and owner building

Important information for owner builders about the *Building and Construction Industry Payments Act 2004 (BCIPA)*

A system of rapid adjudication for the quick resolution of payment disputes was established in 2004 following the introduction of The Building and Construction Industry Payments Act 2004. Adjudication is an alternative to using the court system and is a faster, cheaper way to help resolve disputes.

Benefits include the provision of quick interim decisions on disputed payments while encouraging communication between the parties about disputed matters.

How does this affect me?

If you become involved with a dispute over money with a contractor or supplier, they may lodge an adjudication application to try to resolve the issue.

How does adjudication work?

The contractor may serve you with a payment claim to which you have the ability to respond. If you provide a response (known as a payment schedule) and the claimant does not agree with it or fails to provide a payment schedule, the claimant may apply for adjudication.

The Registry appoints an independent adjudicator with relevant expertise, to make a decision with 10 to 15 business days (depending on the type of claim: standard or complex) from either:

- receiving the respondent's (owner builders) adjudication response; or
- the expiry of the specified timeframe for receiving an adjudication response.

The adjudicator has the power to call for further submissions, hold a conference and view the relevant construction site.

Additionally, the adjudicator must provide to both parties reasons for a decision including the adjudicated amount and the payment date.

What happens if I don't pay the adjudicated amount?

The contractor or supplier (claimant) can request an adjudication certificate and lodge it in a court of competent jurisdiction as a judgment debt.

Other consequences include suspension of work or the supply of goods until payment of the adjudicated amount is received.