

**PAYMENT CLAIM
FLOWCHART**



Claimant issues Payment Claim (s.13)

- in form similar to example;
- on or after the reference date (s.8); or
- within time set out in contract; or
- no more than 6 months after work last carried out (whichever is the later)(s.13 (4)).

Respondent RECEIVES Payment Claim
If the respondent wishes to challenge the payment claim it must issue a Payment Schedule within either:

- the time required in the contract; or
- 15 business days (whichever is the earlier) (s.14(4)(b))

No Dispute regarding Payment Claim

Dispute over part or all of Payment Claim

Issue Payment Schedule or Not?

Respondent pays Payment Claim in full before due date

Respondent issues Payment Schedule (s.14)
Creates dispute either:

- over part of the payment claim; or
- the whole of the Payment Claim

Respondent does not pay the Payment Claim by the due date AND does not issue of Payment Schedule

No Further Action (but parties' rights preserved under contract)

Consequences

- Respondent becomes liable to pay the Scheduled Amount as and from the due date (s.1 & s.16(1)(d));
- Claimant can issue claim in court for Scheduled Amount (s.16(2)(a)(i));
- Claimant can apply for adjudication of Payment Claim (s.16(2)(a)(ii)); or
- can give notice of intention to suspend work – right to damages (s.16(2)(b) & s.28)

Consequences

- Respondent becomes liable to pay the Payment Claim as and from the due date (s.11 & s.14(4));
- Claimant can either apply for Adjudication or issue proceedings in court (s.15(2)(a)); and
- Can give notice of intention to suspend work – right to damages(s.15(2)(b) & s.28)

Claimant accepts Scheduled Amount and does not press Payment Claim

Claimant accepts payment of Scheduled Amount but presses Payment Claim or Scheduled Amount \$Nil. (s.17(1)(a)(i))

Issue proceedings in Court

Adjudication

Issue Proceedings in Court

Adjudication

Claimant intends to apply for adjudication of the Payment Claim (s.17(1)(a)(ii))
Claimant must:

- notify the respondent of intention within 20 business days of due date (s.17(2)(a)); and
- give respondent further opportunity to provide Payment Schedule within 5 business days of that notice (s.17(2)(b))

Issue Claim in appropriate Court

No Defence
Respondent is not entitled to:

- bring a cross claim against the claimant; or
- raise a defence under the contract

Time frames to issue adjudication application

- if whole Payment Claim disputed or Scheduled Amount paid and Payment Claim disputed – then 15 business days after receipt of the Payment Schedule (s.17(3)(c));
- if Scheduled Amount not paid – then within 20 business days after the due date for payment (s.17(3)(d)); or
- if no Payment Schedule and no payment - then 15 business days after expiry of the further 5 day notice period (s.17(3)(e))

If Judgment obtained

Enforce judgment debt

Refer to adjudication flowchart