

## How to Claim Payment for Construction Work Under the Security of Payment Act

Is debt recovery from unpaid construction work a challenge for you? Find a quick, simple solution via the Security of Payment Act (NSW).

### What is Security of Payment?

Security of Payment is the mechanism by which persons who carry out construction work, or supply related goods and services, are able to recover progress payments.

The basis for this is the Building and Construction Industry Security of Payment Act 1999 (NSW) a.k.a. Security of Payment Act – a law that does away with the outdated “pay when paid” system.

In the past, subcontracting agreements often contained a clause where the subcontractor may only recover payment when their contractor or builder gets paid.

Now, progress payments may be claimed regularly, without having to wait for your payor to first be paid.

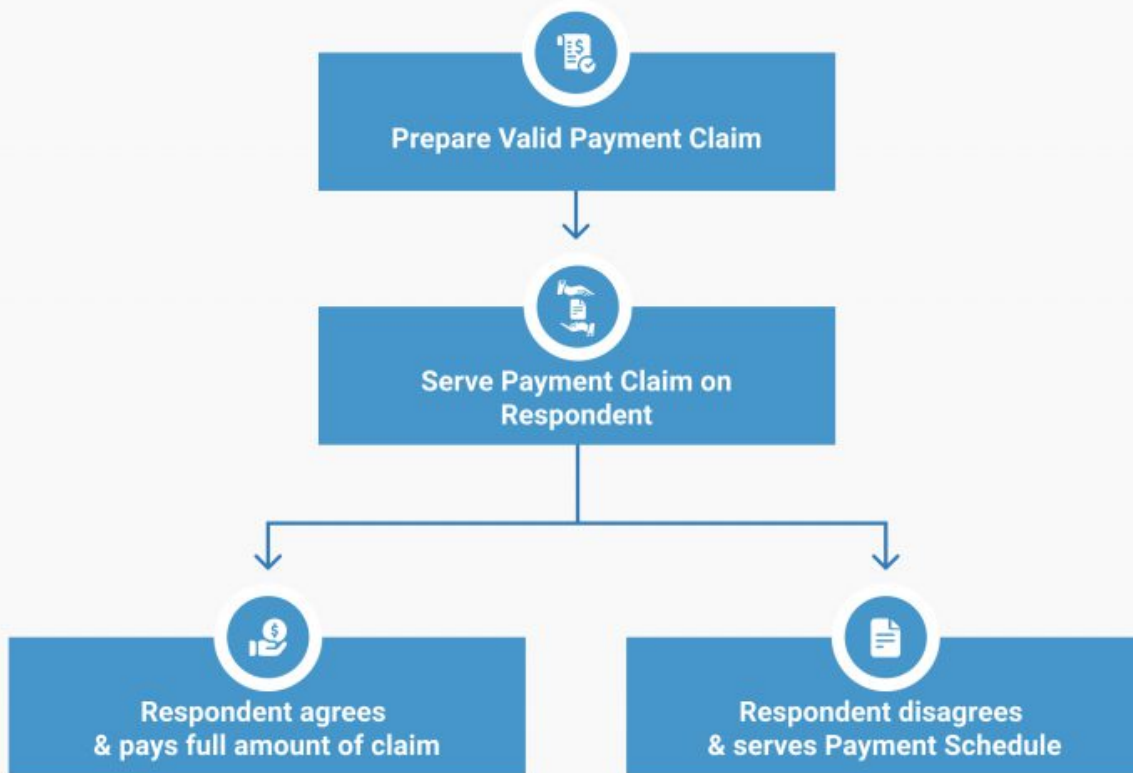
### How the Security of Payment Act Works: An Overview

The Security of Payment Act enables you to claim progress payments/payments for construction work by the simple expedient of serving a “Payment Claim” on the person who owes you (we’ll call them the “Respondent”).

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## The Security of Payment Process, in a nutshell



### When should I expect to receive a Payment Schedule?

Respondents should send you a Payment Schedule within 10 business days from the time they receive your Payment Claim – if they feel that the amount they owe is less than what you're claiming.

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## But, what if the Respondent doesn't serve a Payment Schedule?

If they don't serve a Payment Schedule, they will be required to pay the full amount of your claim, to be paid on the due date stated in your construction contract.

## Okay, so what if the due date rolls around and they still don't pay?

Then, you have 2 options to enforce your claim:

1. lodge a collection case in court ("enforcement proceedings")
- or
2. commence adjudication proceedings.

## Finally, what if the Respondent does serve a Payment Schedule, but does not pay the scheduled amount?

You will have the same 2 options as the above:

1. lodge a collection case in court ("enforcement proceedings")
- or
2. commence adjudication proceedings.

## How We Can Help

If you have overdue, unpaid, or underpaid construction work and would like to recover the payment you're owed, our specialist construction lawyers can help you through the entire process, from preparing a valid Payment Claim, to assisting you in adjudication, and representing you in enforcement proceedings, as the case may be.

If you would like to learn more about how you can recover payment via the Security of Payment Act, feel free to give us a call. First consult is absolutely free.

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