

NZBSF - QUALITATIVE RESEARCH STUDY INTO THE CONSTRUCTION CONTRACTS ACT 2002

4 MAY 2007

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INTRODUCTION

The NZ Building Subcontractors' Federation (NZBSF) is a Federation who looks after the interests of subcontractor associations. They have been one of the key parties involved in the introduction of the Construction Contracts Act (CCA) that was passed in 2002. The Act was developed to assist in providing better practices within the building industry between building subcontractors and their employers (building contractors).

The NZBSF believed the legislation is not widely used and/or understood. Chilli Marketing was approached to conduct research into the CCA to:

1. determine the level of awareness and understanding of the CCA among the target audience
2. explore any issues and barriers to using the legislation among the target audience.

To meet the research objectives both qualitative and quantitative research methods were recommended for the project.

The following report contains the findings of stage one of the project only, the qualitative (focus group) research. Full recommendations and conclusions will be provided on completion of the second stage, the quantitative (online survey) research.



RESEARCH OBJECTIVES

The objectives for the research (qualitative and quantitative) were:

1. To investigate the level of awareness and understanding of the CCA legislation within the target market.
2. To determine the level of use of the CCA within the target market.
3. To explore the perceived key benefits of the CCA.
4. To explore the potential and perceived barriers to using the CCA.
5. To explore potential areas for improvement to the communications.



RESEARCH APPROACH

Qualitative Research

Three focus groups were held in Auckland, Wellington and Christchurch on 5, 6 and 7 March 2007 with a total of 15 participants. The focus groups lasted for approximately two and a half hours and were audio-taped to aid analysis. The focus groups were conducted in Wellington at Chilli Marketing's offices, and in conference rooms in Christchurch and Auckland.

The sample criteria for the target market was determined in conjunction with the NZBSF and lists of potential research participants were provided for the members.

The target audience was defined as people:

- who are a member of an association who belongs to NZBSF
- who are self-employed or own their own company
- who are aware of the Construction Contracts Act*.

The final sample was representative of the target market, skewed toward older males and from a range of trades.

* Note: For the focus groups we only recruited subcontractors that had heard of the Construction Contracts Act in order to gain insightful feedback on the Act during the focus groups.



Respondents were offered a \$50 music voucher as thanks for their participation.

In addition, **one phone interview** was held at NZBSF's request on **16 March 2007**. The interviewee was from the Hawkes' Bay. The focus group interview questions were used and it took approximately one hour. Their responses have also been discussed in this report.



SAMPLE CHARACTERISTICS

Specific characteristics of each focus group are illustrated in the table below. Please note, no significant differences were found between regions.

		WELLINGTON	CHRISTCHURCH	AUCKLAND	TOTAL
GENDER	Male	5	4	5	14
	Female	0	0	1	1
AGE	Up to 30 yrs	1	0	0	1
	31-40 yrs	0	1	1	2
	41-50 yrs	3	0	2	5
	51-60 yrs	1	3	2	6
	60 yrs and over	0	0	1	1
TRADE	Electrical	1	0	1	2
	Fire Protection	0	1	0	1
	Ceilings/Walls	1	0	0	1
	Pre-cast Panels	0	0	1	1
	Plumbing	2	0	1	3
	Reinforcing	0	0	2	2
	Roofing	0	3	1	4
	Tiling	1	0	0	1



		WELLINGTON	CHRISTCHURCH	AUCKLAND	TOTAL
YEARS IN TRADE	Up to 1 yr	0	0	1	1
	1-5 yrs	1	0	0	1
	6-10 yrs	0	0	1	1
	11-20 yrs	0	2	1	3
	21-30 yrs	1	1	0	2
	30-40 yrs	2	1	2	5
	40+	1	0	1	2
TYPE OF BUSINESS	Limited Liability	5	1	6	12
	Corporate	0	3	0	3

The Characteristics for the respondent to the telephone survey were:

- Female
- Aged 41-50
- In the concrete industry
- Had 14 years experience
- Limited liability company



EXECUTIVE SUMMARY

- The research sample was representative of the target audience, skewed towards older males from a variety of trade industries.
- Most participants (subcontractors) were in medium-sized limited liability companies with between 15 and 35 permanent employees.
- In Auckland and Wellington most participants worked on commercial projects (e.g. inner city apartments), whereas in Christchurch there was a focus on residential work.
- Written contracts were almost always given for a project; however there were occasions when verbal quotes were provided. This was generally for low value (less than \$2,000), jobs for friends or trusted contacts.
- Subcontractors noted there had been several changes in the building industry over the last five years. These included: tighter timeframes, a building 'boom', a skill shortage across the trades, more restrictions and regulations for the government, less trust between people in the industry and an increase in costs.
- Participants felt that the trends of the last five years would continue over the next five years. They also expected an increase in awareness and understanding of the CCA, an increase in the number of products, and in Christchurch people felt that there would be a shift in focus to more commercial work.
- All participants were aware of the CCA and its provisions, and understood it was for subcontractors in the building industry.
- Most first heard about the CCA via their trade association, either at a seminar, conference or through the trade newsletters.



- Everyone felt that the CCA was introduced to provide subcontractors with protection, and the process to ensure they get paid for work. Essentially it exists to stop 'pay when paid'.
- In order of priority, the most important advantages of the CCA were considered to be:
 - It improves cash flow
 - It improves business management
 - Protects subcontractors
 - Alleviates a certain level of stress
- In terms of disadvantages, participants felt that the CCA was time consuming, not always effective, impacted on working relationships, and generally there was not enough awareness and understating, amongst the general public and the target audience about it.
- Overall, the level of use of the CCA was high amongst participants, with most having used payment claims for almost every job. Some had stopped work on a project and used enforcement proceedings and a few had been through the adjudication process.
- Payment Claims and Enforcement Proceedings were considered effective, while subcontractors were split on how effective they found Adjudications and Suspension of Work.
- Despite the level of use of the CCA being high, almost everyone had a number of questions about it. Most questions focused on the adjudications process and how people can become better educated on the Act.



- A number of suggestions were provided on how the act could be improved. Most suggestions didn't focus on the act itself, but more on increasing the awareness, understanding and education of the Act.
- Everyone felt that it was very important for subcontractors to know about the CCA and the best way to do this was considered via trade associations, media channels, suppliers and education organisations (e.g. polytechnic).
- The main message to be communicated about the CCA was thought to be that it provides sub contractors with protection, and enables them to be paid on time.



RESEARCH FINDINGS

PARTICIPANT CHARACTERISTICS

- As mentioned earlier, the sample was skewed towards older males from a variety of trade industries.
- Specifically most participants were:
 - aged 41 years or older
 - had 20 or more years experience in their industry
 - in medium sized limited liability companies.
- The industries represented in the sample included: Concrete, Electrical, Fire Protection, Ceilings/Walls, Pre-cast Panels, Plumbing, Reinforcing, Roofing and Tiling.



EMPLOYEES

- Most participants had between 15 and 35 permanent/waged employees in their business.
- Almost all participants commented on a current skill shortage in the building industry, “*especially with baby boomers leaving the industry*”, and would occasionally hire contractors when necessary.



THE TENDERING PROCESS

- All participants would generally partake in a tendering process when applying for new projects. This involved:
 1. Responding to a tender requested from a main contractor – they would often be one of 3–6 companies in their industry asked to tender, OR responding to a tender via an advertisement.
 2. Receiving confirmation (written or verbal) on whether their tender was successful. This often depended on whether the main contractor's tender was successful.

- Relevant thoughts on the tender process included:
 - Tendering is often driven by price and relationships

“Tendering is frustrating as (there’s) always someone pricing lower.”

“(There’s) plenty of work, (its) just squeeze, squeeze, squeeze (margins).”

“(For commercial work) it’s all about relationships.”



PROJECT IMPLEMENTATION

On commencement of a project all participants followed a similar process, no matter if the job was large or small. They would:

1. Start by developing a folder with all the necessary project information including plans, materials and quantities, tender application, letter of acceptance, compliance certificates and a 'cutting sheet' for Foreman.
2. Based on project time frames, allocate a Foreman and staff *"check who is available at the time and pick the right job for the right gang"*. Employ contractors where there is a skill shortage.
3. Update any files prior to the job commencing, especially changes to materials and timelines.
4. Commence job, checking in with Foreman once/twice a day.
5. Over-see all projects at the same time.
6. Bill at agreed times.



CONTRACTS

Type of Contract

- Overall, most subcontractors worked primarily on commercial projects (e.g. apartments, offices etc.) rather than residential (houses etc.).
- Almost all of the contracts were based on written quotes.
- There were a few occasions where verbal quotes were given, and this was in the instance of:
 - doing jobs for friends
 - perk jobs
 - low-value jobs (\$2,000 or less)
 - for a builder they trusted.

Contract Value

- Participants reported a wide range in terms of project values, from small (\$2,000 or less), to up to \$1 million or more.



Terms and Conditions in Contracts

- As a subcontractor's tender usually forms part of a larger proposal, made by the main contractor, the subcontractor often didn't supply their own terms and conditions but recognised they were still protected under the CCA.
 - *"On the back of the quote wherever you have your terms and conditions, you have your payment terms, that's where you have your terms and conditions (with the CCA) and it ends up being about four pages, and nobody reads that."*
 - *"Our terms and conditions are sometimes able to go under ours, which are corporatised, or most of the time we go under the builder's terms and conditions."*



INDUSTRY CHANGES

There were several overall industry changes that tradespeople had noticed in the last five years, and there were consistent themes in what they expected to happen in the next five years. Their observations are listed below.

Industry Changes in the last five years

- Overall, the biggest industry change mentioned by all types of tradespeople over the last five years was tighter timeframes “*If people can buy what they want immediately, at all hours, they expect this quick service for other things*”. Most complained they now had less time to complete projects and as a result they felt “*workmanship has suffered*”.
- Another trend participants had noticed was a ‘boom’ in the building industry. In Christchurch the ‘boom’ was considered more residential (houses and lifestyle blocks), whereas in Auckland and Wellington it was considered more commercial focused, especially innercity apartments.
- Almost everyone identified that there was skill shortage across all trades, with “*difficulty in finding good staff*” and having to “*find and train more apprentices*”. Skill shortages also extended to management levels with “*less experienced management teams being put in charge of major projects*”.



- Most felt that there were “*more controls and restrictions from The Government put on the industry*”. Specifically, more focus on Industry Training Organisations (ITOs), health and safety regulations and the Construction Contracts Act (CCA). The CCA was considered a positive control that has helped ensure tradespeople are paid “*It is easier to get paid now*”, “*better payment periods*”.
- A few felt that through the increase in government regulations and processes the industry has become “*more professional*”. “*Builders don’t try it on (to not pay) anymore*” and there are “*less cowboys*”.
- Most said there is now “*less ‘old fashion trust’ between people, when doing business*”. “*Less verbal contracts and agreements decided on with a handshake*”. Tradespeople we spoke to said that except on the rare occasion when a job is of low value (less than \$2,000) and for a trusted friend or contact they generally wouldn’t start a job, without a written contract.
- In terms of costs (materials, petrol etc.) most identified that these have gone up, but without an equitable raise in hourly rates as most still work on fixed project rates”, “*Generally there are tighter margins to contend with*”.



Industry Changes for the next five years

- Almost everyone expected most of the things that have changed over the last 5 years to continue, for example; tighter timeframes, lots of work, skill shortages, more restrictions and controls, continued less trust between tradespeople, and an increase in costs.
- Some felt that the variety of products would increase “*With technology there will be more products available*”.
- Some expected an increase in the awareness of the CCA and a better understanding of its processes and benefits amongst tradespeople.
- There was a split response on expectations of skill levels;
 - some felt skill levels would decrease “*as timeframes get tighter, the drawings will get worse– with speed you compromise quality*” and
 - some felt the skill levels would increase “There will be improved training of tradespeople” and “bad builders will disappear”.
- In Christchurch almost all the tradespeople spoken to felt that there would be a swing from residential work to more commercial work (e.g. apartments etc.)



EVALUATION OF THE CONSTRUCTION CONTRACTS ACT (CCA) 2002

This section explores the level of understanding that participants have of the CCA and the context and frequency of their use of the act, and its provisions.

Knowledge of the CCA

Firstly participants were asked what they knew about the CCA.

- Everyone was aware that the CCA is “*an Act*” introduced a few years ago, and most referred to it by its full name “*The Construction Contracts Act 2002*”
- Everyone considered the CCA an act which “*gets rid of ‘pay when paid’*” and “*essentially ensures subcontractors are paid for their work, and provides processes if they aren’t*”. A list of verbatim responses are listed below:
 - “*its insurance, we all get paid for our job*”
 - “*it generates better cash flow*”
 - “*its fantastic*”
 - “*put together to protect subcontractors from getting ripped off*”,.
- Almost all participants were aware of the CCA provisions (Payment Claims, Suspension of Work, Enforcement Proceedings and Adjudication), however their level of knowledge across each varied.



- Overall, participants knew the most about payment claims (including what it is for and how to utilise it), followed by suspension of work. Tradespeople spoken to knew very little about enforcement proceedings and adjudications. This is highlighted further in the following sections 'Level of Use and Effectiveness of the CCA Provisions' and 'Questions about the CCA'.



Target Audience of the CCA

- All participants understood and identified the CCA is for *“all subcontractors in the building industry”*.
- Some also felt it was for *“the wider building industry – like suppliers, main contractors, employees of subcontractors and even the guy paying the bill – the client”*.

Initial Source of Information on the CCA

- Most people initially heard about the CCA through their trade associations/groups. In particular at seminars and conferences conducted by either Peter Degerholm or the association themselves. Trade newsletters were another source mentioned by some.
- Some people first heard about it via the news, especially in the media build up to the act being passed.
- A few people took part in pre-act research (surveys and submissions).
- A few also had been given the book ‘Managing Contractors Cashflow’ by Peter Degerholm, at seminars or from colleagues/friends in the Industry.



Rationale behind its Introduction

- When asked why they thought the CCA was introduced everyone felt it was essentially to provide subcontractors with the tools and processes to ensure they got paid for their work. Some relevant comments included
 - *“it is from The Government to bring stability to an unstable industry, stopping pay when paid”*
 - *“Subcontractors were bound under a head contractor and they were in ‘no-mans land”*
 - *“There was no chance of recourse (if they didn’t get paid for their work)”*.

- Some tradespeople also felt the CCA was developed in reaction to the receivership of Hartner Construction Ltd in 2001. It was the biggest building industry collapse in New Zealand history when Hartner went into receivership, owing over \$30 million to over 1,000 subcontractors.



Advantages and Disadvantages of the CCA

The CCA was seen by almost all subcontractors as a very positive and beneficial piece of legislation, and consequently identified more advantages than disadvantages. Subcontractors felt the most important advantages of the CCA were (in order of priority):

1. It improves cash flow
2. It improves business management
3. It protects subcontractors
4. It alleviates a certain level of stress.



Participants also mentioned several disadvantages of the CCA, including the time it takes to use the provisions, the ineffectiveness of some of the provisions, the impact it has on working relationships and the general low awareness and understanding of the Act. Their comments are illustrated in detail in the table below.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Improves Cash Flow <i>“get paid quicker”</i> <i>“less debtors and no bank over draft”</i> <i>“better discounts on materials because you can pay merchants on time so they find it better”</i> 	<ul style="list-style-type: none"> ▪ Time consuming <i>“I have to do a lot of payment claims and that takes time”</i> <i>“must take the time to read all contracts”</i> <i>“more labour intensive”</i>
<ul style="list-style-type: none"> ▪ Improves Business Management <i>“we are more professional and invoices are more accurate”</i> <i>“improves the paperwork from builders and subcontractors”</i> <i>“its about running a business and not just a trade”</i> <i>“can plan cash flow better”</i> 	<ul style="list-style-type: none"> ▪ Not always effective <i>“bank doesn’t front up with payment transfer”</i> <i>“sometimes payments are late anyway”</i> <i>“no policeman, or way to stop other subcontractors from starting a job you have stopped”</i>



Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Protects Subcontractors <i>“prevents good companies going bankrupt”</i> <i>“before the act you had to keep working and loosing money. Now it can happen in days (you can stop work sooner) rather than months”</i> 	<ul style="list-style-type: none"> ▪ Not all the provisions have ‘templates’ <i>“No templates for stopping work”</i>
<ul style="list-style-type: none"> ▪ It alleviates a certain level of stress <i>“makes the Job flow easier, it’s a pleasure to go to work”</i> <i>“takes away uncertainty, variations are approved in a timely manner”</i> 	<ul style="list-style-type: none"> ▪ Impacts on working relationships <i>“I fell out of favour with a client and builder when I used it”</i> <i>“relationships are important, you have to be careful with using it”</i>
<ul style="list-style-type: none"> ▪ Provides advice channels <i>“people are available if you need advice or have any questions”</i> 	<ul style="list-style-type: none"> ▪ Low awareness and understanding <i>“if more people knew about it and understood it, it would make our jobs easier”</i> <i>“non association member groups don’t know about it and they could benefit the most”</i>
<ul style="list-style-type: none"> ▪ Assists in resolving disputes <i>“disputes are more easily resolved”</i> <i>“in the old days it might have taken me 6-7 years and by the time I got it (the settlement) the developer may have transferred his assets”</i> 	



Advantages	Disadvantages
<ul style="list-style-type: none"><li data-bbox="152 379 510 405">▪ It empowers subcontractors <p data-bbox="203 432 1055 512"><i>“it has levelled the playing field, by bringing subbies to the same level as head contractor, less of the dictatorial approach”</i></p>	



Main Benefit of the CCA for a Subcontractor

The process

- Participants were given an example of the cartoon below with two men talking. They were then asked to write their response to the question “why would you use the CCA?” in the empty speech bubble.



The key findings

The two key themes that consistently came through were:

1. *“It gives us a **process** for unpaid work”*
2. *“You get **paid** in a timely manner”*

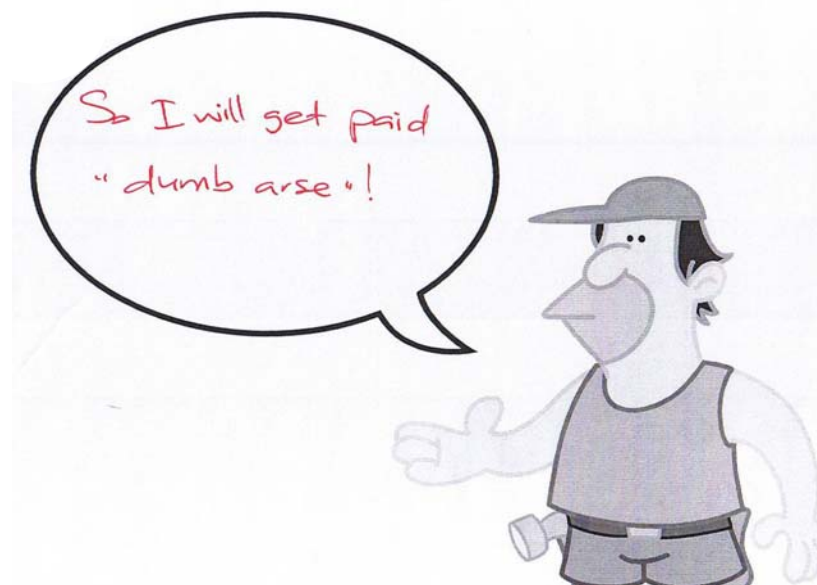


Following are four examples of participants' responses:

Auckland, Male, 41-50, Reinforcing



Christchurch, Male, 51-60, Roofing



Wellington, Male, 51-60, Electrical



Auckland, Male, 51-60, Reinforcing



Level of Use and Effectiveness of the CCA Provisions

This section explores if the CCA provisions (Payment Claims, Suspension of Work, Enforcement Proceedings and Adjudication) are being used by subcontractors, and if so, how effective they are.

- Most tradespeople were aware of the provisions of the CCA, including: Payment Claims, Payment Schedules, Adjudication, Suspension of Work, and Enforcement Proceedings. Below is a list of relevant comments about these provisions
 - Adjudication – *“sets out how to resolve disputes between subcontractors”, “due process, courts will come down on them hard”*
 - Payment Claim – *“it sets out how a contract is to be handled between contractor and subcontractor”*
 - Suspension of Work – *“allows a contractor to stop work”, “provides the ability to shut a job down if you are not getting paid”*
 - Payment Schedule – *“path to take when submitting your progress claim”.*

- Overall, the level of use of the CCA amongst subcontractors was high, especially in Wellington and Auckland. Most had used the various provisions for every job to ensure payment and avoid disputes.



- However, most of the Christchurch participants, despite being aware of the Act, had not widely used its provisions. Those who hadn't used the Act and its provisions were either suppliers or corporate managers (therefore were not directly involved in the billing process).
- A few people also choose not to use it on occasion, this was when the job was either a 'perkie' for a trusted friend or was of low value (less than \$2,000).



1. Payment Claims

- Most had used payment claims and the majority of the time they were used for every job.
- Payment claims were considered effective' in stopping 'pay when paid' by almost all.
- A few felt that in some cases payment claims had not been effective, however this was due to documentation not been completed accurately, and not being specific enough in contract wording *"I didn't have the date in the correct format"*.

2. Suspension of Work

- Some had stopped work on a project, but in almost every circumstance the suspension was effective in resolving the issue and they recommenced work *"we stopped work, it got resolved and we started back up"*.
- However a couple of cases had occurred where the subcontractor had suspended work, but another subcontractor was bought in to continue the work. In these cases they *"were ignored"* and *"with no-one to police it, I just gave up"*.

3. Enforcement Proceedings

- Some reported having used enforcement proceedings for work that had not been paid for. As part of this process, they had spoken to lawyers and prepared documentation. In all those cases the subcontractor had been paid – *"it worked"*.



4. Adjudication

- A few had been to the Disputes Tribunal and through the adjudication process.
- There were mixed responses on how subcontractors had found the process;
 - some found it easy *“it was easier than I thought”* and felt the costs were inexpensive for what they won back;
 - while others found it hard, time consuming and expensive *“my lawyer had a lack of experience with the CCA, he didn’t really help, even though it cost a lot and it took ages”*.
- There were also mixed responses on how effective people considered adjudications. Some had won and were pleased with the outcome, while others had lost and felt it was due to not being specific enough in my documentation, *“it is just overboard and pedantic really I just hadn’t put the date in the right format”*.



QUESTIONS ABOUT THE CCA

- Even though the use of the CCA was extremely high amongst participants, almost everyone had a number of questions about the CCA in general and in particular about adjudications.

- In general most wanted to know:
 - Where they could obtain CCA information and documentation (e.g. terms of trade, the book 'Managing Contractors Cashflow'). *"Where do you get terms documents – Whitcoulls?"*. Most said they wanted to be educated further on the Act and how to use it.
 - How does the general public learn about it? This was seen as important *"because the more people that understand it, the more impact it will have and it will be used more often"*.

- Other general questions included:
 - *"Is it over complex?", "Why can't it be summarised in 10 words or less"*
 - *"Do people (main contractors) get put off seeing the terms of trade if choosing between subies?"*



- Regarding adjudications, most wanted to know how hard/easy the process was and how long it took. Some questions included:
 - *“What slows adjudications down?”*
 - *“How hard is it to win one?”*
 - *“How long is the process?”*



POTENTIAL BARRIERS TO USE OF THE CCA

- Almost everyone agreed that there is *“no reason why you shouldn’t use it, we should use it, otherwise you will get caught out”*.
- A few mentioned not using it on those smaller, low value, perk jobs often for friends or trusted contacts. This is often because *“they are low value and we know they will pay”*.



AREAS FOR IMPROVEMENT

- When asked for any suggestions on how the Act could be improved, most suggestions were focused on increasing awareness and understanding of the CCA, and educating people in a simple way how to use it. A list of participants comments are below (in no particular order):
 - *“increasing awareness and understanding of the Act amongst subies”*
 - *“it needs to be described in 10 words or less”*
 - *“making the adjudication cheaper, with more experienced lawyers”*
 - *“access to court decisions on CCA cases on the CCA or NZBSF website”*
 - *“education on using it”*
 - *“educating accountants and bankers so they can promote it”.*

- A few participants also felt the processes could be simpler and easier to follow
 - *“have easy simple steps for the different procedures”*
 - *“add the templates to a software package like MYOB software so its easy”*
 - *“needs a code for general use, codes of practice and how to use it”*
 - *“standard form for stop work notice”.*



COMMUNICATIONS OF THE ACT

Communication Channels

- One thing was extremely clear from the focus groups, all participants felt it was “very important for subcontractors to know about the CCA”.
- When asked what would be the best way to tell subcontractors about it a number of suggestions were put forward. The main channels were:
 - Trade Associations – either in the form of a seminar or newsletter
 - Media – mass advertising and in trade magazines, radio, websites
 - Suppliers (e.g. PlaceMakers) – through advertising materials (e.g. brochures) and seminars
 - Educational level – at Polytechnic, training course and apprenticeships etc.
- A few people also suggested site visits (toolbox meetings), “*because the smaller guys don’t belong to the associations*” and question and answer nights (fun quiz/pub nights).
- These sources of information were also consistent with where participants obtained their information on their industry, with priority placed on trade associations, suppliers and mass media.



Main Message

- When asked what main messages should be communicated about the CCA to subcontractors, most participants mentioned the ‘protection’ subcontractors are provided from it, and the benefit of being paid on time. It was also clear from most comments that it is the subcontractors responsibility to learn about it.
 - *“(You have) got protection out there, if you get pinged you should be knowledgeable at least”*
 - *“its your protection, know about it, (you) can be paid on time, know your rights”*
 - *“follow procedure, (its) security and payment confidence for the future”*



APPENDIX 1 – BACKGROUND TO THE CCA

The Construction Contracts Act

The Construction Contracts Act applies to all contracts entered into from 1 April 2003. It provides processes for progress payments on construction contracts, for the enforcement of overdue payments, and for the adjudication of disputes.


After its first year there has been a noticeable improvement in payment practices, and in the resolution of disputes. However, the Federation notes that many subcontractors have not yet adjusted their business practices, so are not receiving the full benefits of the CCA.

The Key Benefits of the CCA, as identified by NZBSF, are considered to be as follows:

- Agreed timing for work completed so all participating parties are on the same payment schedule.
- Allowance for regular payments throughout the completion of work, instead of just at the end.
- Adjudication is available as a fast track dispute resolution process, and there are fast track court enforcement procedures for amounts not paid.
- Clarification around when invoices can be queried and when they have been accepted.
- Confirming where subcontractors are responsible for the design and performance of items.



APPENDIX 2 – CCA PAYMENT CLAIM FORM

PAYMENT CLAIM THIS IS A PAYMENT CLAIM UNDER THE CONSTRUCTION CONTRACTS ACT 2002 IF YOU ARE A 'RESIDENTIAL OCCUPIER' PLEASE READ THE NOTICE ON THE REVERSE																																							
TO (Payee)	Company Name				Company Name																																		
	Address				Address																																		
	Attention				Contact																																		
Project				Trade																																			
Site Location				Our Ref																																			
Payment Claim No	Claim Period From	Claim Period To	Last date for submitting claim		Due date for payment																																		
BASE CONTRACT	Item	Description	Qty	Rate	Total	Claims to Date																																	
						%	\$																																
	TOTAL BASE CONTRACT					\$	\$	\$																															
VARIATIONS	Var No	Description	Submit Date	Approved Date	Var Ref	Variation Amount	Claims to Date																																
							%	\$																															
	TOTAL VARIATIONS						\$	\$	\$																														
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td rowspan="6" style="writing-mode: vertical-rl; transform: rotate(180deg);">SUMMARY</td> <td>Total Base Contract Complete to Date</td> <td>Insert Total A</td> <td>\$</td> <td></td> </tr> <tr> <td>Total Variations Complete to Date</td> <td>Insert Total B</td> <td>\$</td> <td></td> </tr> <tr> <td>Gross Claims to Date</td> <td>A + B</td> <td>\$</td> <td>(C)</td> </tr> <tr> <td>Less Retention (if applicable)</td> <td></td> <td>\$</td> <td>(D)</td> </tr> <tr> <td>Net Claims to Date</td> <td>C - D</td> <td>\$</td> <td>(E)</td> </tr> <tr> <td>Less Previous Net Claimed Amount Total 'E' from last claim</td> <td></td> <td>\$</td> <td>(F)</td> </tr> <tr> <td colspan="2">CLAIMED AMOUNT (excluding GST)</td> <td>E - F</td> <td>\$</td> <td></td> </tr> </table>								SUMMARY	Total Base Contract Complete to Date	Insert Total A	\$		Total Variations Complete to Date	Insert Total B	\$		Gross Claims to Date	A + B	\$	(C)	Less Retention (if applicable)		\$	(D)	Net Claims to Date	C - D	\$	(E)	Less Previous Net Claimed Amount Total 'E' from last claim		\$	(F)	CLAIMED AMOUNT (excluding GST)		E - F	\$	
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<small> To Enquire contact Peter Conradi, Ph 08 652 2012, Email peter@nzccca.co.nz, peter@nzccca.co.nz Fax 08 652 2012 Rev Mar 2002 Original Copy - Green, File Copy - White, Accounts Copy - Pink </small>																																							