



# UPDATE ● ● ● ➔

## Changes to Payment Terms

### Building and Construction security of payment Act 1999 UPDATE

The following requirements were introduced to The Act in April 2014:

1. The Amending Legislation now imposes maximum payment periods, as follows:
  - a. by a principal (the council) to a head contractor, 15 business days from the date of the making of a payment claim;
  - b. to a subcontractor, 30 business days from the date of the making of a payment claim.

*Please note that previously, parties to a construction contract could agree when payment would be made.*

2. Head contractors are now required to provide a 'supporting statement' (in the form prescribed in Schedule 1 of the Regulation. This includes a declaration that all subcontractors have been paid all amounts that have become due and payable in relation to the construction work concerned. Penalties of up to \$22,000 and/or 3 months imprisonment may be imposed where a Head Contractor has knowingly provided false or misleading information.

These changes only apply to contracts relating to construction work, or supply construction related goods and services. Such as Traffic Control, Linemarking and bitumen emulsion.

**You will find a more comprehensive list of construction work examples in Section 5 of The Act Definition of "construction work".**

<http://www.legislation.nsw.gov.au/fragview/inforce/act+46+1999+pt.1-sec.5+0+N?tocnav=y>

**Regional Procurement has amended both clause 20 in the Deed of Agreement and Clause 40 in the General Conditions of Contract for all new supply and service contracts.**

Further details on the requirements of The Act and related Regulations are available from the following web sites:

The Act: <http://www.legislation.nsw.gov.au/maintop/view/inforce/act+46+1999+cd+0+N>

Regulations: <http://www.legislation.nsw.gov.au/maintop/view/inforce/subordleg+139+2008+cd+0+N>

## Message Message Message Message Message Message Message Message Message Message FROM THE MANAGER

*Compliance to the Government Information Public Access Act (GIPA).* Regional Procurement has embarked on a process to improve our website compliance in relation to GIPA. When you click on the 'Current Contracts' tab you will be provided with a selection of the regional areas where our contracts are currently in place.

In addition to general information relating to contract details such as description, start and end dates including possible extension periods you will now see that we have included a 'Contract Summary' column. All new contracts will display a 'download' hyperlink that will allow any member of the public to download a copy of the contract summary form for that particular contract. I am confident that this enhancement will provide even greater transparency and compliance to the way Regional Procurement provides access to the general public for this type of information.

*Change to staffing.* Due to an internal transfer we wish Mikalla Fraser who was in the role of Support Service Officer, a fond farewell. Mikalla is moving to the Administration Division of Hunter Councils with her duties to be absorbed by Sabrina Smithson and Sarah Hurley. Whilst we are on the subject of staffing I also wish to congratulate our Support Services Coordinator – Sarah Hurley (nee Oliver) on her recent wedding. Sarah's email address will now be [sarahh@regpro.com.au](mailto:sarahh@regpro.com.au) with all other contact details remaining unchanged.

*Provision of Probity Auditing Services.* Regional Procurement has recently provided probity auditing services to one of our member councils in relation to their tender evaluation process. The probity audit entails the following: one of our team attends the tender evaluation meeting, observes the tender evaluation process and benchmarks this process to the requirements of the Local Government (General) Regulation 2005 – Part 7 Tendering requirements. An audit report containing an overview of our observations and recommendations (where deemed necessary) is then provided to the member council for their information. Member Council feedback on our Probity Audits is available upon request. Please contact the Manager – Regional Procurement for further information.

Generally, I am pleased to say that Regional Procurement continues to provide services to our member councils that are tangible and relevant in today's market place. My team and I look forward to being of continued service to our member councils and value the support of our membership.



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**RTC- Peter Salafia**

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**NAMOI - Craig Wade**

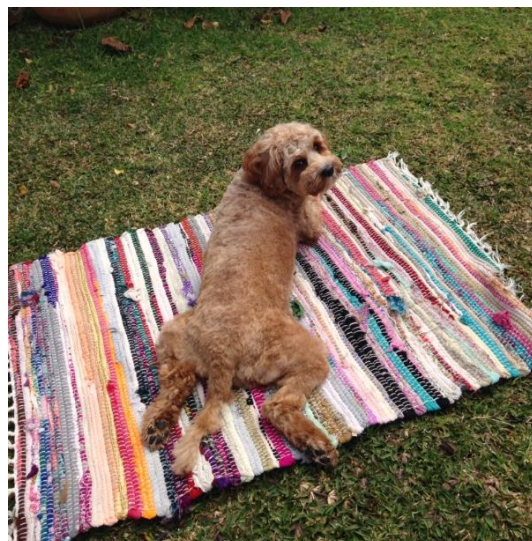
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"Sunbaking" - Peggy

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