

***CONSTRUCTION RISK CHECKLIST > During-construction > Invoices as CCA
Compliant Payment Claims***

Turn Your Invoices Into Powerful Payment Claims

Many builders spend significant time chasing overdue invoices. What they don't realise is that a properly prepared payment claim under the Construction Contracts Act 2002 (CCA) can provide powerful rights that are not available with an ordinary invoice.

A tax invoice can be a valid CCA payment claim, provided it contains all of the information required by the Act. This means many builders can use their existing invoicing software and systems while still obtaining the benefits of the CCA.

Why does this matter?

Because a compliant payment claim creates obligations for the client. If they disagree with the amount claimed, they must provide a valid payment schedule within the required timeframe. They cannot simply ignore the invoice or dispute it verbally months later.

Payment Claim Checklist

To be CCA compliant, your invoice should:

- 1. Identify the construction contract.**
- 2. Clearly state the amount being claimed.**
- 3. Specify the due date for payment.**
- 4. Identify the period or work covered by the claim.**
- 5. Clearly state that the invoice is a Payment Claim issued under the Construction Contracts Act 2002.**
- 6. Include the prescribed information outlining the client's rights and obligations under the Act.**
- 7. Be served in accordance with the contract requirements.**

The easiest way for many builders to achieve this is to modify their existing invoice template rather than create a separate payment claim process.

For example, your accounting software invoice can continue to show the work completed, GST and payment details as normal. You simply add:

- A statement that the invoice is a Payment Claim under the Construction Contracts Act 2002.
- The required statutory notice explaining the client's obligation to provide a payment schedule if they dispute the claim.
- The additional information needed to satisfy the Act.

Once this template is set up, every progress claim can be generated directly from your existing accounting system with minimal additional administration.

Builders should also ensure the payment claim is supported by appropriate documentation where required, such as progress photos, variation approvals or breakdowns of work completed. While not always legally required, these documents can reduce disputes and make it easier for the client to assess the claim.

Just as importantly, keep evidence of service. Email is commonly used, but you should be able to demonstrate when and how the payment claim was delivered. And not just delivered, but that the recipient was reasonably able to review the details of the claim and were aware of their rights and responsibilities. For example, some invoicing software presents the price and a link to pay directly in the email, without the client needing to review the actual documentation. This could create the potential for them to argue that they never saw the payment claim notices.

The biggest advantage of this approach is that it creates a repeatable process. Every invoice becomes a compliant payment claim. Every client receives the same information. Every project benefits from the protections offered by the CCA.

The most successful builders don't create more paperwork than necessary. They build compliance into the systems they already use.

With a few simple changes to your invoicing template, your next tax invoice could become one of the most effective cashflow management tools in your business.