

## ACT Lockdown – Contracts & Payments

The ACT Lockdown will undoubtedly have impacts on your contracts and timeframes.

All parties to a contract should take a sensible approach given the circumstances and not be legally opportunistic.

The MBA expects all members, whether principal contractor or subcontractor, to adhere to the payment times specified in contracts or terms of trade. This expectation extends to developers and homeowners, as well as the ACT and Commonwealth Governments. The integrity, stability and viability of the construction industry depends on all participants paying on time.

We expect that our members do not attempt to enforce liquidated damages clauses that have been invoked as a result of COVID-19.

If you need assistance in managing extensions of time or liquidated damages under your contract, or you have information about a party to a contract attempting to take advantage of the impact of the ACT lockdown, please contact our Member Services Director by [email](#).

What does this mean for projects covered by the ACT Home Building Contract?

Clause 13 of the ACT Home Building Contract states that a Builder is entitled to a reasonable extension of time if the Works are delayed due to *“anything else beyond the control of the Builder, such as, but not limited to trade contractor shortages or material shortages which affect the Builder’s ability to do the Works”*.

There is a requirement on the Builder to serve a notice on the Owner outlining the cause of the delay. We recommend that this be done on any contract which you are concerned will be impacted by COVID-19.

I am really concerned about the impact this lockdown will have on my business. What can I do?

If you are experiencing financial difficulty, we recommend that you consider the following:

- Speak with your creditors and discuss extended payment terms
- Regularly review your debtors and request prompt payment
- Contact your bank to see what support they may be able to provide
- Discuss the possibility of ATO arrangements with your accountant, such as a payment plan.

It is vital that everyone in the Canberra community and especially the building and construction industry and MBA family support one another during this pandemic. If you are experiencing difficulties when engaging with customers, subcontractors or suppliers, please let us know. We may not be

able to advocate or act on your behalf in individual circumstances, if we are able to identify trends then we may be able to assist generally.

Whilst the MBA is unable to provide you with financial advice, we can try and direct you to the appropriate people, so please get in touch with us if you have concerns. You can call and speak with our Member Services Director on 6175 5900 or [email us](#).

We also strongly recommend that you reach out to OzHelp if you are experiencing increased levels of stress and uncertainty about your financial situation.

### NOT A MEMBER OF MBA ACT?

*Join today to receive industry alerts first!  
MBA ACT provides members with valuable information about the latest industry news.*

Visit our website or email [canberra@mba.org.au](mailto:canberra@mba.org.au) to become a member

