

House of Representatives

Supplementary Order Paper

Wednesday, 9 November 2022

Construction Contracts (Retention Money) Amendment Bill

Proposed amendments for the consideration of the Committee of the whole House

Key:

- **this is inserted text**
- **~~this is deleted text~~**

Note: This Supplementary Order Paper shows amendments to the Bill that are being proposed by the Minister for the purposes of consideration in Committee of the whole House. This document does—

- **NOT have official status in terms of unamended text**
- **NOT have the status of an as-reported version of the Bill.**

Explanatory note

This Supplementary Order Paper (SOP) amends the Construction Contracts (Retention Money) Amendment Bill, which amends the Construction Contracts Act 2002 (the **principal Act**).

The amendments of substance in this SOP are to insert *new sections 18M to 18Q* into the principal Act to give the chief executive of the administering agency (currently the Ministry of Business, Innovation, and Employment) the function of administering and enforcing the retention money regime and the powers necessary to do so. Those functions and powers are similar to those the chief executive has under the Building Act 2004.

Expressly conferring those functions on the chief executive also brings them within the scope of section 53(1A)(b)(i) of the Building Act 2004 as matters in relation to which the building levy (collected under that Act) may be used.

The other amendments in this SOP are minor technical amendments to—

- clarify how the new provisions apply to local authorities by—
 - ensuring that members of local authorities are not inadvertently included in the definition of director; and
 - allowing a party A that is a council-controlled organisation to hold its retention money in a bank account of the controlling local authority:
- clarify that the retention money regime applies to money retained as retention money in connection with a commercial construction contract even if the contract does not provide for that:
- recognise that, depending on the type of instrument, it may not be correct to refer to an instrument as being held by party A. The provisions are amended to refer to instruments that relate to party B:
- reflect that a complying instrument may relate to more than 1 party B:
- correct the way receivers are described.

Departmental disclosure statement

The Ministry of Business, Innovation, and Employment is required to prepare a disclosure statement to assist with the scrutiny of this Supplementary Order Paper. The disclosure statement provides access to information about any material policy changes to the Bill and identifies any new significant or unusual legislative features of the Bill as amended.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=sop&subtype=government&year=2022&no=278>

The Honourable Dr Megan Woods, in Committee, to propose the amendments shown in the following document.

Hon Dr Megan Woods

Construction Contracts (Retention Money) Amendment Bill

Government Bill

Contents

	Page
1 Title	2
2 Commencement	2
3 Principal Act	2
Part 1	
Amendments to Part 2 of principal Act	
4 Sections 18A to 18F and cross-heading replaced	3
18A Interpretation	3
18B Application of subpart and meaning of retention money	3
18C Retention money is held on trust	4
18D How retention money must be kept and used	5
18DA Failure to keep retention money as required	5
18E Bank account	6
18EA Treatment of unallocated withdrawals or deposits	7
18F Public Finance Act 1989 applies if party A is the Crown	8
5 Section 18FA amended (Protection of retention money)	8
6 Cross-heading above section 18FB repealed	8
7 Section 18FB amended (Complying instruments)	8
8 Cross-heading above section 18FC repealed	9
9 Section 18FC replaced (Accounting and records)	9
18FC Accounts and records	9
18FD Party A must report on retention money	10
9A Section 18G amended (Interest on late payment)	11
10 Section 18I amended (Prohibited provisions)	11
11 New sections 18J to 18L inserted	11

**Proposed amendments to
Construction Contracts (Retention Money) Amendment
Bill**

cl 1

18J	Effect of receivership or liquidation of party A	11
18K	Receiver or liquidator as trustee	12
18L	Change of trustee	12
	<i>Enforcement of retention money provisions</i>	
<u>18M</u>	<u>Functions of chief executive</u>	<u>13</u>
<u>18N</u>	<u>Power to require information</u>	<u>13</u>
<u>18O</u>	<u>Offences relating to information and documents</u>	<u>14</u>
<u>18P</u>	<u>Power of entry</u>	<u>14</u>
<u>18Q</u>	<u>Hindering chief executive</u>	<u>15</u>

**Part 2
Amendments relating to transitional matters and
consequential amendment**

13	Cross-heading above section 11A inserted	15
	<i>Transitional, savings, and related provisions</i>	
14	New section 11B inserted (Transitional, savings, and related provisions)	15
	11B Transitional, savings, and related provisions	15
15	New Schedule 1 inserted	15
	<i>Consequential amendment</i>	
<u>16</u>	<u>Principal Act</u>	<u>16</u>
<u>17</u>	<u>Schedule amended</u>	<u>16</u>
	Schedule	17
	New Schedule 1 inserted	

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Construction Contracts (Retention Money) Amendment Act **2021**.

2 Commencement

This Act comes into force on the day that is 6 months after the date on which it receives the Royal assent.

3 Principal Act

This Act amends the Construction Contracts Act 2002.

Part 1 Amendments to Part 2 of principal Act

4 Sections 18A to 18F and cross-heading replaced

Replace sections 18A to 18F and the cross-heading above section 18E with:

18A Interpretation

In this subpart,—

complying instrument has the meaning set out in section 18FB

party A and **party B** have the meanings set out in **section 18B(1) or (5)**

protected amount, in relation to a complying instrument, means the amount of retention money held by party A for party B that is protected by the instrument

registered bank has the same meaning as in section 2(1) of the ~~Reserve Bank of New Zealand Act 1989~~ Banking (Prudential Supervision) Act 1989

retention money has the meaning set out in **section 18B(2) or (6)(a)**

retention money trust means a trust created by **section 18C** under which party A (or a replacement trustee) holds retention money for party B.

18B Application of subpart and meaning of retention money

~~(1) This subpart applies if a commercial construction contract allows one party to the contract (**party A**) to—~~

~~(a) withhold payment of an amount (a **retainable amount**) that would otherwise be payable to another party (**party B**); and~~

~~(b) hold that amount as security for the performance of party B's obligations under the contract.~~

(1) This subpart applies if a commercial construction contract allows one party to the contract (**party A**) to withhold payment of an amount (a **retainable amount**) that would otherwise be payable to another party (**party B**) as security for the performance of party B's obligations under the contract.

(2) A retainable amount becomes **retention money** at the time at which the construction contract allows party A to withhold payment of the amount from party B.

(3) The retainable amount becomes retention money in accordance with **subsection (2)** whether or not party A—

(a) has withheld any amount from party B:

(b) has complied with **section 18D**:

(c) has calculated the retainable amount (as long as it is capable of being calculated):

(d) has prepared, or given to party B, a payment schedule or other record of an amount being withheld:

**Proposed amendments to
Construction Contracts (Retention Money) Amendment
Bill**

Part 1 cl 4

- (e) has paid any amount owing to party B under the contract.
- (4) Despite **subsection (2)**, a retainable amount does not become retention money if—
 - (a) party A chooses not to retain the amount and has paid it to party B; or
 - (b) the total retainable amount under the contract is less than the de minimis amount prescribed in regulations.
- (5) This subpart also applies if one party to a commercial construction contract (party A) withholds payment of an amount that would otherwise be payable to another party (party B) as security for the performance of party B’s obligations under the contract even though the contract does not provide for that.
- (6) In that case,—
 - (a) the withheld amount referred to in **subsection (5)** becomes **retention money** when it is withheld; and
 - (b) a reference in this subpart to retention money retained under a contract includes retention money retained in connection with the contract referred to in that subsection.

18C Retention money is held on trust

- (1) Retention money is trust property, held on trust by party A for party B, and party A must deal with it in accordance with this subpart.
- (2) The trust is created, by operation of this section, when the amount becomes retention money under **section 18B(2) or (6)(a)**.
- (3) Retention money ceases to be trust property when 1 or more of the following applies to it:
 - (a) it is paid to party B;
 - (b) party B, in writing, gives up any claim to it;
 - (c) it is used to remedy defects in the performance of party B’s obligations under the construction contract ~~in accordance with **section 18D(4)**~~; but only if—
 - (i) the use of the money for that purpose is permitted by the contract; and
 - (ii) any provisions of the contract relating to the use of the retention money are complied with; and
 - (iii) at least 10 working days before using the money for that purpose, party A gives party B written notice setting out—
 - (A) party A’s intention to use the retention money for that purpose; and
 - (B) details of the defects to be remedied;
 - (d) it otherwise ceases to be payable to party B.

- (4) To avoid doubt,—
- (a) if party A holds retention money for 2 or more persons (each being party B), the retention money held for each of them is the subject of a separate trust; and
 - (b) the retention money is trust property whether or not party A complies with this subpart; and
 - (c) all of the rules of the common law and equity relating to trusts apply to the trust, party A as trustee, the retention money as trust property, and any other person dealing with the trust property (except to the extent that this subpart provides otherwise).

18D How retention money must be kept and used

- (1) Party A must deposit retention money into a bank account that complies with **section 18E** as soon as practicable after it becomes retention money under **section 18B(2) or (6)(a)**.
- (2) Party A must ~~retain~~ keep the retention money in a bank account that complies with **section 18E** until it ceases to be trust property under **section 18C(3)**.
- (3) Despite **subsections (1) and (2)**, party A is not required to deposit retention money into a bank account, or keep it in a bank account, to the extent that ~~party A holds a complying instrument for~~ there is a complying instrument in force in relation to the payment of an equivalent amount to party B.
- (4) ~~Party A may use retention money to remedy defects in the performance of party B's obligations under the construction contract only if—~~
 - (a) ~~the use of the money for that purpose is permitted by the contract; and~~
 - (b) ~~any provisions of the contract relating to the use of the retention money are complied with; and~~
 - (c) ~~at least 10 working days before using the money for that purpose, party A gives party B written notice setting out—~~
 - (i) ~~party A's intention to use the retention money for that purpose; and~~
 - (ii) ~~details of the defects to be remedied.~~
- (5) If retention money ceases to be trust property under **section 18C(3)(b), (c), or (d)**, party A may pay the money to any person who is lawfully entitled to it.
- (6) Interest earned on retention money is not part of the retention money and is the property of party A (unless the construction contract provides otherwise or section 18G applies).

18DA Failure to keep retention money as required

- (1) If party A fails to comply with **section 18D**,—

**Proposed amendments to
Construction Contracts (Retention Money) Amendment
Bill**

Part 1 cl 4

- (a) party A commits an offence and is liable on conviction to a fine not exceeding \$200,000 for each offence; and
 - (b) if party A is a body corporate, each of its directors also commits an offence and is liable on conviction to a fine not exceeding \$50,000 for each offence.
- (2) It is a defence to a charge under **subsection (1)** if the defendant proves—
- (a) that party A took all reasonable steps to ensure that party A complied with **section 18D**; or
 - (b) if the defendant is a director, that they took all reasonable steps to ensure that party A complied with that provision.
- (3) It is a defence to a charge under **subsection (1)** of using retention money in contravention of **section 18D(2) and (4)** if the defendant proves that they acted in good faith and honestly and reasonably believed that the use of the money was permitted by ~~section 18D(4)~~ **section 18C(3)(c)**.
- (4) In this section, **director** means a person who is a director (as defined in section 6(1) of the Financial Markets Conduct Act 2013), but ~~not a receiver or liquidator who is a new trustee under section 18K.~~
- (a) a member (as defined in section 5(1) of the Local Government Act 2002), or
 - (b) a receiver or liquidator who is a new trustee under section 18K.

18E Bank account

- (1) A bank account for the purposes of **section 18D(1)** must—
- (a) be at a registered bank in New Zealand; and
 - (b) comply with **subsection (2) or (3)**.
- (2) A bank account complies with this subsection if—
- (a) the account holder is party A in their capacity as trustee of the retention money; and
 - (b) the account is used solely for the purpose of holding retention money (and any interest earned on it even if though, under **section 18D(6)**, it is not retention money) that is held by party A—
 - (i) for party B under a particular construction contract; or
 - (ii) for party B under 2 or more construction contracts; or
 - (iii) for 2 or more persons (each being a party B) for whom party A holds retention money under 1 or more construction contracts; and
 - (c) party A has informed the bank that the account is for the purpose of holding retention money that party A holds on trust under this Act.
- (3) A bank account complies with this subsection if—
- (a) it is a bank account ordinarily used to hold trust money; and

- (b) the account holder is—
- (i) a practitioner or an incorporated firm (both as defined in section 6 of the Lawyers and Conveyancers Act 2006); or
 - (ii) the Public Trust (as defined in section 4 of the Public Trust Act 2001); or
 - (iii) a trustee company (as defined in section 2 of the Trustee Companies Act 1967); or
 - (iv) a chartered accountant (as defined in section 2 of the New Zealand Institute of Chartered Accountants Act 1996); or
 - (v) a person holding a licence under the Auditor Regulation Act 2011 or a registered audit firm (as defined in section 6(1) of that Act); or
 - (va) in a case where party A is a council-controlled organisation (as defined in section 6 of the Local Government Act 2002), a local authority that holds shares in, controls, or has a right to appoint directors of that organisation; or
 - (vi) a person of a kind prescribed by regulations; and
- (c) party A informs the account holder that the money to be held in the account is retention money that party A holds on trust under this Act.
- (4) If **subsection (2)(b)(ii) or (iii) or (3)** applies, the records required by **section 18FC** must include separate ledger records for each party B, and in relation to each construction contract, for which money is held in the account.
- (5) Each ledger record must identify the party B and construction contract to which it relates.
- (6) Each payment into or out of the bank account must be recorded in the ledger record for the party B and construction contract to which the payment relates.
- 18EA Treatment of unallocated withdrawals or deposits**
- (1) This section applies if retention money held by party A for 2 or more party Bs is (or is recorded in the ledger records as being) kept in the same bank account.
- (2) If—
- (a) retention money is withdrawn from the bank account; and
 - (b) the ledger records do not record which party B the withdrawal is attributable to; and
 - (c) it is not otherwise clear from the circumstances which party B the withdrawal is attributable to,—
- the amount withdrawn is to be apportioned between the party Bs in proportion to their respective balances in the ledger records at the time the withdrawal is made.
- (3) If—

**Proposed amendments to
Construction Contracts (Retention Money) Amendment
Bill**

Part 1 cl 5

- (a) there is a deficiency in the amount of retention money held in the bank account for 1 or more of the party Bs; and
- (b) an amount is deposited into the bank account; and
- (c) the ledger records do not record which of those party Bs the deposit is attributable to; and
- (d) it is not otherwise clear from the circumstances which party B the deposit is attributable to,—

the amount deposited is to be apportioned between the party Bs referred to in ~~paragraph (a)~~ **paragraph (a)** in proportion to their respective balances in the ledger records at the time the deposit is made.

- (4) If the ledger records have not been kept as required by ~~section 18E~~ **section 18E**, the references in ~~subsections (2) and (3)~~ **subsections (2) and (3)** to the balances in those records are taken to be references to what those balances would have been had the ledger records been correctly kept until the withdrawal or deposit in question was made.
- (5) In this section, ~~ledger records~~ **ledger records** means the ledger records that party A is required by ~~section 18E(4)~~ **section 18E(4)** to keep in relation to the bank account.

18F Public Finance Act 1989 applies if party A is the Crown

If party A is the Crown,—

- (a) the retention money must be held and dealt with in accordance with Part 7 of the Public Finance Act 1989 (which deals with trust money); and
- (b) **sections 18D(1), (2), and (3), 18E**, and 18FB do not apply.

5 Section 18FA amended (Protection of retention money)

In section 18FA, replace “Retention money held on trust” with “Without limiting **section 18C(4)(b)**, retention money”.

6 Cross-heading above section 18FB repealed

Repeal the cross-heading above section 18FB.

7 Section 18FB amended (Complying instruments)

- (1) Replace section 18FB(3)(a) with:

- (a) be issued in favour of, or endorsed with the interests of,—
 - (i) party B; or
 - (ii) party B and 1 or more other persons (each being a party B under a construction contract); or
 - (iii) a class of persons (all being party Bs under construction contracts) of which party B is a member; and

- (2) In section 18FB(8), repeal the definition of **registered bank**.

8 Cross-heading above section 18FC repealed

Repeal the cross-heading above section 18FC.

9 Section 18FC replaced (Accounting and records)

Replace section 18FC with:

18FC Accounts and records

- (1) Party A must keep accounting and other records of all retention money held for party B.
- (2) The records must—
 - (a) include details of—
 - (i) all bank accounts in which retention money is held for party B (*see* **subsection (3)**); and
 - (ii) ~~all complying instruments held for party B (*see* **subsection (4)**);~~ and
 - (ii) if party A relies on **section 18D(3)**, all complying instruments that relate to party B (*see* **subsection (4)**); and
 - (b) be appropriate, having regard to the amount of retention money and the circumstances of the case; and
 - (c) include any other information required by regulations; and
 - (d) be kept in a way that complies with any requirements specified in regulations.
- (3) If party A keeps any of the retention money in a bank account, the records must—
 - (aaa) identify the bank account as an account in which retention money is held for party B; and
 - (aab) identify the construction contracts under which that money is retained; and
 - (a) include details of all payments into and out of the account; and
 - (ab) if the bank account holds retention money for any other party B, record that fact; and
 - (b) comply with **section 18E(4) to (6)** (if applicable).
- (4) ~~If party A holds any complying instruments for party B~~ relies on **section 18D(3)**, the records must include—
 - ~~(a) a copy of each instrument; and~~
 - (a) a copy of all complying instruments that relate to party B; and
 - (b) for each instrument,—
 - (i) a record of party B's interest in the instrument, including the protected amount; and

**Proposed amendments to
Construction Contracts (Retention Money) Amendment
Bill**

Part 1 cl 9

- (ii) ~~if the instrument is also held for the benefit of 1 or more other persons (each being party B under separate retention money trusts) also relates to 1 or more other persons (as permitted by **section 18FB(3)(a)(ii) and (iii)**),—~~
 - (A) for each of those persons, the information specified in **subparagraph (i)**; and
 - (B) the total of all protected amounts under the instrument; and
 - (iii) if the issuer's liability under the instrument is limited, details of that limitation; and
 - (iv) evidence that the premium or other money that is, or that may become, payable to the issuer for the instrument has been fully paid by party A; and
 - (v) a record of any failure to comply with the terms and conditions of the instrument.
- (6) Party A must make the accounting and other records required by this section in relation to retention money held for party B available for inspection by party B at all reasonable times and without charge.
- (7) If party A fails to comply with this section, party A commits an offence and is liable on conviction to a fine not exceeding \$50,000 for each offence.

18FD Party A must report on retention money

- (1) Party A must give the information required by **subsection (2)** to party B—
- (a) as soon as practicable after an amount becomes retention money; and
 - (b) at least once in every 3 months until the retention money trust ends under **section 18C(3)**.
- (2) The required information is—
- (a) each amount retained, the construction contract under which it is retained, and the date of its retention; and
 - (b) the total amount of retention money held by party A for party B under each construction contract between party A and party B; and
 - (c) the account details for any bank account in which any of the retention money is held; and
 - ~~(d) the instrument details for each complying instrument held for the benefit of party B; and~~
 - (d) if party A relies on **section 18D(3)**, the instrument details for each complying instrument that relates to party B; and
 - (e) a statement that party B may inspect the accounts and records that party A is required by **section 18FC** to keep in relation to retention money held for party B; and
 - (f) any other information specified in regulations.

- (3) The **account details** for a bank account are,—
- (a) if the account holder is party A,—
 - (i) the name of the bank and the branch at which the account is held; and
 - (ii) the name of the account; and
 - (b) if the account holder is not party A,—
 - (i) the name of the account holder; and
 - (ii) the category of account holder under **section 18E(3)(b)** that the account holder belongs to; and
 - (c) the balance in the bank account that is held for party B; and
 - (d) if separate ledger records are required under **section 18E(4)**, the name of each ledger record relating to party B and the balance in that ledger record.
- (4) The **instrument details** for a complying instrument are the following:
- (a) the name of the issuer:
 - (b) sufficient information to identify the instrument (such as a policy number or other unique identifier):
 - (c) the protected amount.
- (5) Party A must also give any other information specified in regulations to party B at other times specified in the regulations.
- (6) Party A must not give information under this section that is false or misleading.
- (7) If party A fails to comply with this section, party A commits an offence and is liable on conviction to a fine not exceeding \$50,000 for each offence.

9A Section 18G amended (Interest on late payment)

Replace section 18G(2) with:

- (2) The interest referred to in subsection (1) accrues at the rate prescribed in regulations or any higher rate specified in the construction contract.

10 Section 18I amended (Prohibited provisions)

In section 18I(1)(c), replace “a trust or an instrument under” with “retention money or any bank account or instrument held for the purposes of”.

11 New sections 18J to 18L inserted

After section 18I, insert:

18J Effect of receivership or liquidation of party A

- (1) This section applies if—

**Proposed amendments to
Construction Contracts (Retention Money) Amendment
Bill**

Part 1 cl 11

- (a) ~~a receiver is appointed under the Receiverships Act 1993 (as defined in section 2(1) of the Receiverships Act 1993)~~ is appointed in respect of all or substantially all of the assets and undertaking of party A; or
- (b) a liquidator is appointed under the Companies Act 1993 for party A.
- (2) When the receiver or liquidator is appointed,—
 - (a) party A ceases to be trustee of the retention money trust; and
 - (b) the receiver or liquidator (or each of them if there is more than 1) becomes trustee of the retention money trust.
- (3) However, this section does not apply if party A has already been replaced as trustee.

18K Receiver or liquidator as trustee

- (1) A person who becomes trustee of a retention money trust under **section 18J or 18L** (the **new trustee**) must collect, manage, and disburse the retention money in the same way as party A is required by ~~the~~ this Act to do.
- (2) For the purpose of doing so, the new trustee has (in addition to their powers and duties as a trustee),—
 - (a) ~~if they are a receiver, all of the powers and duties of a receiver appointed under the Receiverships Act 1993 that they have in their capacity as receiver;~~ or
 - (b) if they are a liquidator, all of the powers and duties of a liquidator under Schedule 6 of the Companies Act 1993.
- (3) The new trustee is entitled to have their reasonable fees and costs met from the retention money trust.
- (3A) The High Court may, on application by party B or the new trustee, review or fix the new trustee's fees and costs and make such orders in relation to them as the court considers appropriate.
- (4) The new trustee must—
 - (a) notify party B of their appointment within 10 working days of becoming trustee; and
 - (b) give to party B all of the information that the person, in their capacity as receiver or liquidator, gives to unsecured creditors of party A when it is given to those creditors.
- (5) The new trustee is not liable for any unlawful or improper action taken by party A or any other person in their capacity as trustee of the retention money trust before the new trustee ~~was appointed~~ became trustee.

18L Change of trustee

- (1) The High Court may, on application, remove or replace a receiver or liquidator as trustee of the retention money trust if it considers it appropriate to do so.

- (2) An application may be made by a receiver or liquidator who is a trustee of the retention money trust or by party B.
- (3) If a receiver or liquidator is the only trustee of the trust and is not willing or able to continue as trustee, they must apply to the court for the appointment of a replacement.
- (4) If a receiver or liquidator who is a trustee of the retention money trust is replaced as receiver or liquidator by another person, that other person becomes trustee of the retention money trust in place of the previous receiver or liquidator.

Enforcement of retention money provisions

18M Functions of chief executive

The chief executive has the following functions in relation to this subpart:

- (a) to disseminate information and provide educational programmes on matters relating to this subpart:
- (b) to publish guidance information on the requirements of this subpart:
- (c) to monitor compliance with this subpart:
- (d) to take enforcement action (including taking proceedings for offences) if the chief executive considers that it is desirable to do so—
 - (i) to enforce compliance with this subpart; or
 - (ii) to establish or clarify any matter of principle relating to this subpart or the interpretation of any provision of this subpart:
- (e) to provide advice to the Minister in relation to this subpart and to matters relating to retention money generally:
- (f) to carry out any other functions and duties specified in this subpart:
- (g) to take all necessary steps for the implementation and administration of this subpart:
- (h) to carry out any functions that are incidental and related to, or consequential upon, the functions set out in **paragraphs (a) to (g)**.

18N Power to require information

- (1) The chief executive may require any person to provide any information or document that the chief executive considers is reasonably necessary for the purposes of monitoring, investigating, or enforcing compliance with this subpart.
- (2) The chief executive must give written notice to the person that specifies—
 - (a) the information or document that must be provided; and
 - (b) how the information or document must be provided; and

**Proposed amendments to
Construction Contracts (Retention Money) Amendment
Bill**

Part 1 cl 11

- (c) a reasonable deadline by which the information or document must be provided.
- (3) The chief executive may copy or retain any information or document provided.
- (4) The recipient of a notice has the same privileges in relation to things required by the notice as a witness has in proceedings before a court.

Guidance note

The privileges of a witness include the privilege against self-incrimination and the other privileges set out in subpart 8 of Part 2 of the Evidence Act 2006.

18O Offences relating to information and documents

- (1) A person given a notice under **section 18N** must provide the information or document as required by the notice.
- (2) A person who intentionally fails to comply with **subsection (1)**—
 - (a) commits an offence; and
 - (b) is liable on conviction,—
 - (i) in the case of an individual, to a fine not exceeding \$50,000;
 - (ii) in the case of a body corporate, to a fine not exceeding \$200,000.
- (3) A person given a notice under **section 18N** must not provide information or a document if the person knows that—
 - (a) the information or document is false or misleading in a material particular; or
 - (b) there is a material omission from the information or document.
- (4) A person who fails to comply with **subsection (3)**—
 - (a) commits an offence; and
 - (b) is liable on conviction,—
 - (i) in the case of an individual, to a fine not exceeding \$50,000;
 - (ii) in the case of a body corporate, to a fine not exceeding \$200,000.

18P Power of entry

- (1) The chief executive or a person authorised by the chief executive may apply for a search warrant in respect of any place.
- (2) The application must be made in accordance with subpart 3 of Part 4 of the Search and Surveillance Act 2012.
- (3) An issuing officer may issue a search warrant in respect of the place if satisfied that there are reasonable grounds—
 - (a) to suspect that an offence against this subpart has been, is being, or will be committed; and
 - (b) to believe that there is evidential material in the place.

- (4) The provisions of Part 4 of the Search and Surveillance Act 2012 (except sections 118 and 119) apply.
- (5) In this section, **evidential material** and **issuing officer** have the same meanings as in section 3(1) of the Search and Surveillance Act 2012.

18Q Hindering chief executive

- (1) A person must not obstruct, hinder, or resist the chief executive or a person authorised under **section 18P** in the execution of their powers under this subpart.
- (2) However, the person has the same privileges in relation to things required by the notice as a witness has in proceedings before a court.

Guidance note

The privileges of a witness include the privilege against self-incrimination and the other privileges set out in subpart 8 of Part 2 of the Evidence Act 2006.

- (3) A person who intentionally contravenes **subsection (1)**—
- (a) commits an offence; and
 - (b) is liable on conviction,—
 - (i) in the case of an individual, to a fine not exceeding \$50,000;
 - (ii) in the case of a body corporate, to a fine not exceeding \$200,000.

Part 2

Amendments relating to transitional matters and consequential amendment

13 Cross-heading above section 11A inserted

Before section 11A, insert:

Transitional, savings, and related provisions

14 New section 11B inserted (Transitional, savings, and related provisions)

After section 11A, insert:

11B Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in **Schedule 1** have effect according to their terms.

15 New Schedule 1 inserted

After section 83, insert the Schedule ~~1~~Insert the **Schedule 1** set out in the Schedule **Schedule** of this Act as the first schedule to appear after the last section of the principal Act.

**Proposed amendments to
Construction Contracts (Retention Money) Amendment
Bill**

Part 2 cl 16

Consequential amendment

16 **Principal Act**

Section 17 amends the Search and Surveillance Act 2012.

17 **Schedule amended**

In the Schedule, insert in its appropriate alphabetical order:

<u>Construction Contracts Act 2002</u>	18P	<u>Power to enter premises to investigate offences</u>	<u>All (except sections 118 and 119)</u>
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Schedule
New Schedule 1 inserted

s 15

Schedule 1
Transitional, savings, and related provisions

s 11B

Part 1
Provisions relating to Construction Contracts (Retention Money)
Amendment Act 2021

1 Transitional matters

- (1) This Act, as amended by the Construction Contracts (Retention Money) Amendment Act **2021** (the **2021 Act**), applies in relation to a commercial construction contract that—
 - (a) is entered into after the 2021 Act commenced; or
 - (b) was entered into before the 2021 Act commenced and is ~~amended~~ renewed afterwards.
- (2) This Act, as in force before the 2021 Act commenced, continues to apply in relation to any other commercial construction contract that was entered into before that Act commenced.
- (3) However, **sections 18J to 18L** apply in relation to a receivership or liquidation that commences after the 2021 Act commenced (regardless of when the construction contract was entered into or when the retention money was withheld).