Fact Sheet

15-Day payment terms – DIT managed Social Infrastructure project

Government 15-day payment terms

Key facts for Department for Infrastructure and Transport (DIT) Social Infrastructure projects

The South Australian Government is committed to supporting local industry by promoting prompt payment practices. To achieve this, the Government has implemented 15-day payment terms for Contractors and suppliers working on Government projects.

This fact sheet provides information for Contractors (and Subcontractors) engaged by DIT Building Projects to deliver social infrastructure projects such as schools and hospitals.

The 15-day payment terms change aligns with Treasurer's Instruction 11 and fulfils key Government election commitments to improve cash flow for South Australian businesses, particularly small and medium enterprises.

Treasurer's Instruction 11

Treasurer's Instructions are issued by the Treasurer under the authority of Section 41 of the Public Finance & Audit Act 1987.

Treasurer's Instruction 11 – Payment of Invoices and Claims (current version 01.11.2024) requires Public authorities to make payment for all undisputed invoices and claims within 15 days from the date the invoice or claim is received.

Government election commitments

1 – Government Departments to pay Contractor invoices within 15 calendar days; and

2 - Lead Contractor's delivering State Government projects to pay Subcontractors within 15 calendar days.

Government of South Australia
Department for Infrastructure and Transport

Implementation of Government election commitments

All Building Projects contract templates have been updated with 15-day payment terms effective from 18 July 2024.

The change of payment terms for Contractors and Subcontractors was communicated by DIT prior to implementation via the relevant industry bodies including but not limited to Master Builders Association (SA), Australian Consulting Architects, Australian Institute of Architects, Consult Australia (SA), National Electrical & Communications Association (SA), National Fire Industry Association (SA) and the Australian Institute of Quantity Surveyors.

This communication included an interactive workshop which concluded in a summary flow chart being agreed that detailed how the 15-day payment terms can be applied in practice – refer attached.

Contractor's responsibilities

Contractors engaged under contracts that include 15-day payment terms are required to:

- Ensure compliance with these terms when invoicing the Government.
- Ensure payment to their Subcontractors within 15 calendar days, aligning with Government election commitments.
- Submit correctly rendered invoices that meet contractual and DIT requirements to avoid delays in payment processing.
- Submit a Statutory Declaration with its payment claim confirming the Contractor has paid its Subcontractors within the time required under the contract.

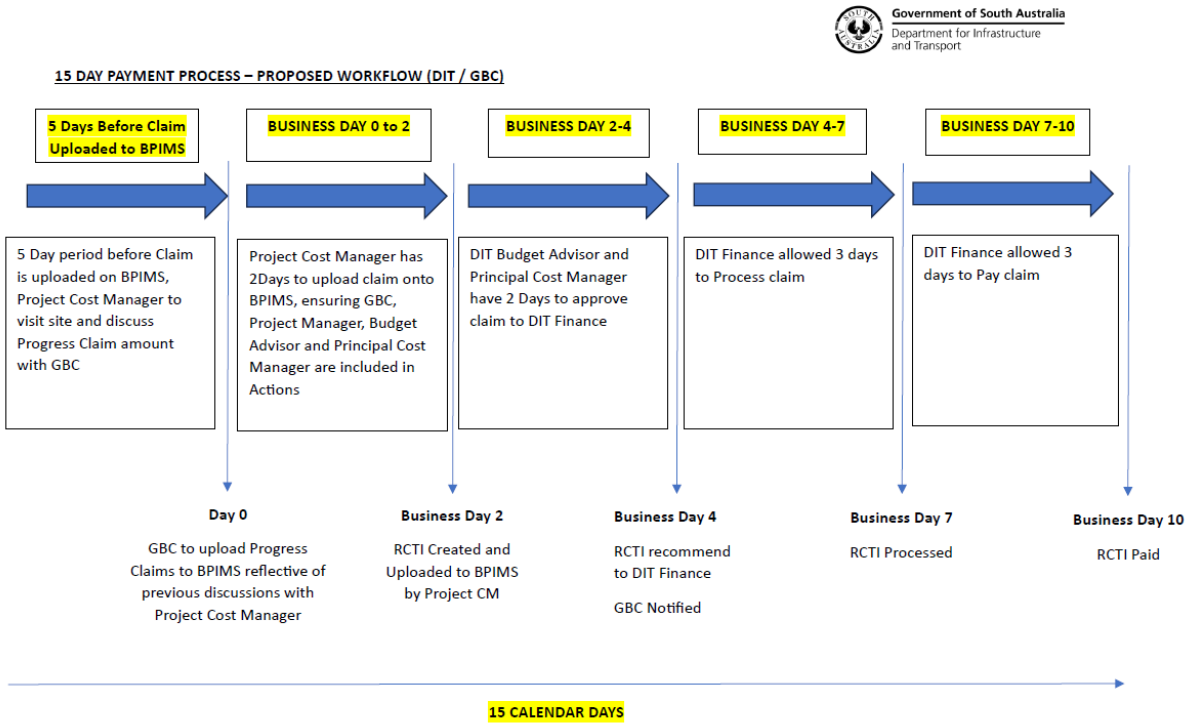
Compliance monitoring

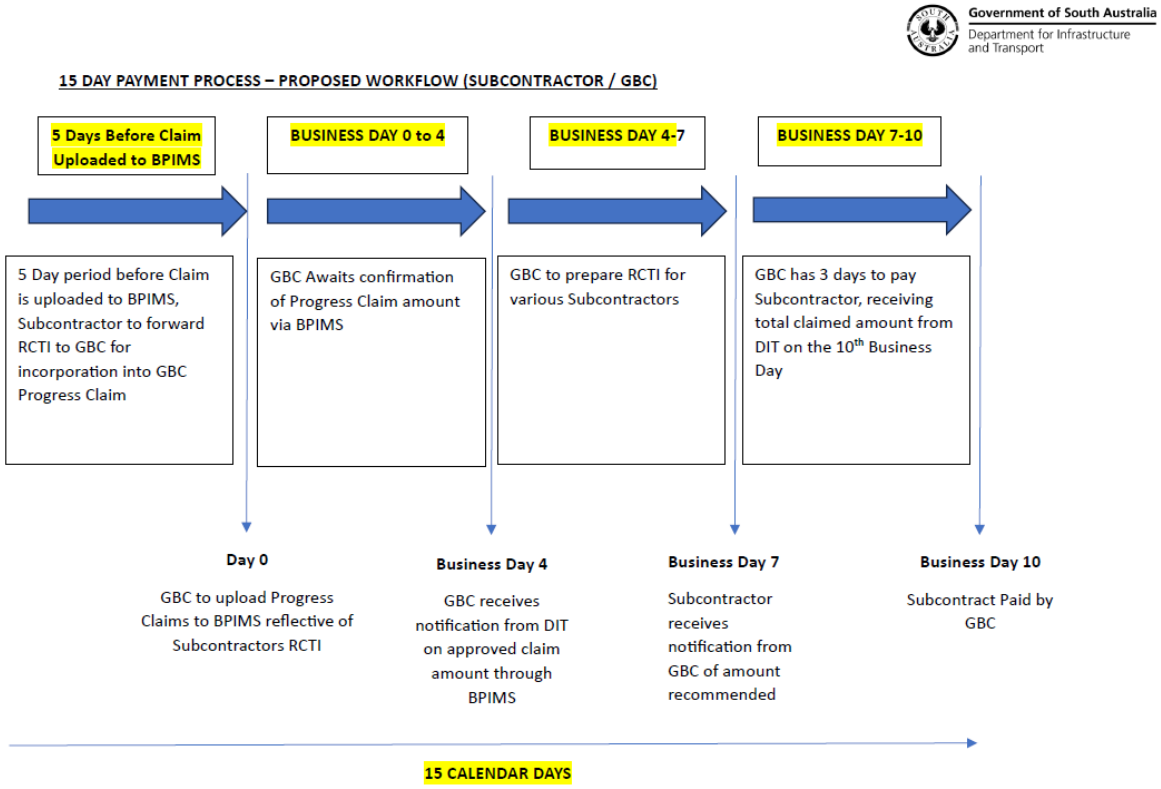
To assist with these payment terms being consistently applied, DIT:

- Conducts some ad hoc auditing to review compliance with 15-day payment terms.
- Addresses any identified non-compliance through contract management processes.
- Engages with industry where further clarification or improvement is needed.

The Department is committed to ensuring that the 15-day payment terms are upheld. Accordingly, Subcontractors are encouraged to contact DIT - Building Projects Directorate directly (to DIT.BuildingProjectsAdmin@sa.gov.au) if they believe payment terms under Government contracts are not being met. All reports will be treated confidentially and are important to assist DIT to ensure Government commitments are delivered as intended.

Copy of flow charts developed and shared with industry representatives:





Flowchart Legend:

BPIMS = Building Projects Information Management System
GBC = General Building Contractor
RCTI = Recipient Created Tax Invoice
Project Cost Manager = Cost manager engaged by DIT to provide cost management services including review and assessment of GBC progress payment claims.
Project Manager, Budget Advisor, Principal Cost Manager = DIT Building Projects positions