

Building and Construction Industry

Security of Payment Act 2002

Adjudication Activity Statistics

2022-2023 FINANCIAL YEAR

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Disclaimer – The statistics presented in this publication are based on data provided to the Victorian Building Authority by Authorised Nominating Authorities. The Victorian Building Authority disclaims any liability (including for negligence) to any person in respect of anything done or not done by any person in reliance upon anything included or omitted in these statistics.

Notes:

Applications – There were 384 standard applications managed by Authorised Nominating Authorities in this reporting period. This report provides statistical reporting on the applications managed by Authorised Nominating Authorities during the reporting period.

Rounding – Where figures have been rounded, discrepancies may occur between sums of the component items and totals shown. Percentages of less than 0.5% are shown as 0%, unless otherwise stated.

GST – All amounts are GST exclusive.

Building and Construction Industry Security of Payment Act 2002

The *Building and Construction Industry Security of Payment Act 2002* (SOP Act) is intended to provide contractors with a quick, inexpensive and non-legalistic way to recover money owed to them and to resolve payment disputes. It applies to construction contracts for work carried out in Victoria.

Adjudicators are nominated by Authorised Nominating Authorities (ANAs). ANAs are authorised to perform this service by the Victorian Building Authority (VBA) under section 42 of the SOP Act.

The functions of an ANA include nominating adjudicators for the purposes of the SOP Act, receiving and referring adjudication applications to adjudicators and providing information to the VBA in accordance with the SOP Act.

ADJUDICATION ACTIVITY STATISTICS REPORT

This report provides tabulated and graphical representations of adjudication data for the 2022-2023 financial year. The information in this report is based on data provided to the VBA by ANAs.

PROVISION OF INFORMATION

ANAs must provide the VBA with information in relation to the activities of the ANA under the SOP Act. Information requested by the VBA may include information regarding the nomination of adjudicators, appointment of review adjudicators, the assessment of eligibility of persons to be adjudicators, the fees charged by the ANA and the fees charged by adjudicators. This information allows the VBA to monitor whether the adjudication process is meeting the object of the SOP Act.

PUBLICATION OF INFORMATION

The VBA may publish information in a determination if the information does not identify any person or body referred to in the determination or disclose the address or location of that person or body and the identity, address or location of any person or body referred to in the determination cannot reasonably be determined from the information.

FOR MORE INFORMATION

Further information on the SOP Act can be found on the VBA website at www.vba.vic.gov.au.

Applications

APPLICATION STATISTICS

Applications and status

Applications	Jul-Dec	Jan-Jun	FY	%
Applications managed	189	195	384	
Applications determined	114	98	212	55%
Applications not determined	75	97	172	45%

Table 1: Application statistics for 2022-23 financial year

Reason application not determined

Reason not determined	Jul-Dec	Jan-Jun	FY	%
Settled by parties	22	19	41	24%
Withdrawn by claimant	40	41	81	47%
No jurisdiction	2	2	4	2%
Timed out	11	14	25	15%
Other	0	1	1	1%
Not yet determined	0	20	20	12%
Total	75	97	172	100%

Table 2: Reason application not determined for 2022-23 financial year

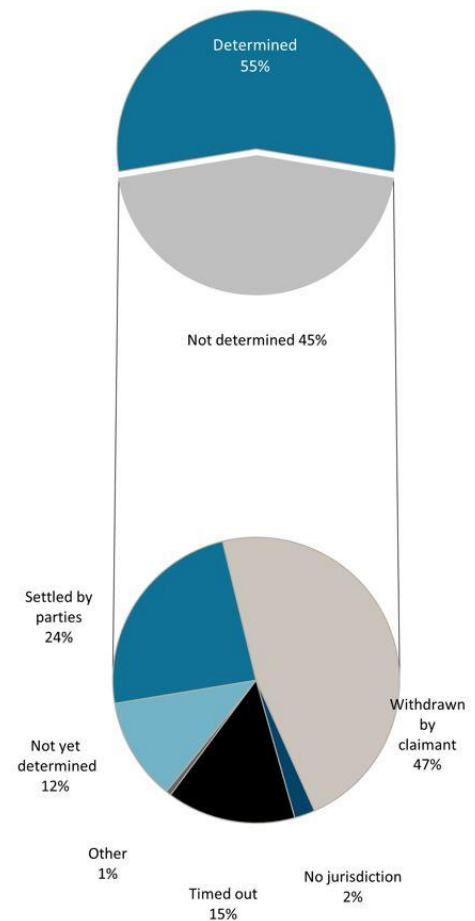


Figure 1: Applications determined vs not determined and reason application not determined for 2022-23 financial year

APPLICATIONS BY SECTION

Section of SOP Act under which application made

Section of SOP Act	Jul-Dec	Jan-Jun	FY	%
Section 18(1)(a)(i)	103	88	191	50%
Section 18(1)(a)(ii)	10	2	12	3%
Section 18(1)(b)	76	105	181	47%
Total	189	195	384	100%

Table 3: Applications by section of the SOP Act for 2022-23 financial year

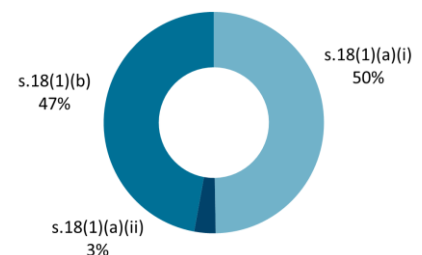


Figure 2: Section of SOP Act under which application made for 2022-23 financial year

Section 18(2) notices (section 18(1)(b) applications)

	Jul-Dec	Jan-Jun	FY
Section 18(2) notice issued	85	112	197

Table 4: Section 18(2) notices for 2022-23 financial year

APPLICATIONS BY CLAIMANT AND RESPONDENT TYPE

Claimant statistics

Claimant type	Jul-Dec	Jan-Jun	FY	%
Consultant	7	6	13	3%
Developer	0	1	1	0%
Head contractor	24	45	69	18%
Major subcontractor	44	22	66	17%
Manufacturer of building materials or components	1	0	1	0%
Other	1	7	8	2%
Project manager	1	2	3	1%
Supplier	6	10	16	4%
Trade subcontractor	105	102	207	54%
Total	189	195	384	100%

Table 5: Claimant type for applications during 2022-23 financial year

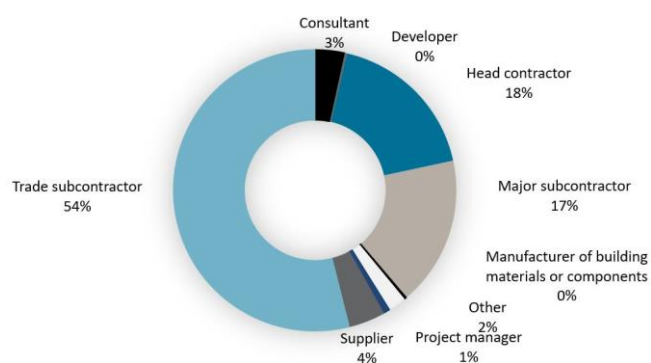


Figure 3: Percentage of applications by Claimant type made for 2022-23 financial year

Respondent statistics

Respondent type	Jul-Dec	Jan-Jun	FY	%
Consultant	1	2	3	1%
Developer	38	43	81	21%
Head contractor	109	109	218	57%
Major subcontractor	15	8	23	6%
Other	6	20	26	7%
Project manager	3	2	5	1%
Trade subcontractor	17	11	28	7%
Total	189	195	384	100%

Table 6: Respondent type for applications during 2022-23 financial year

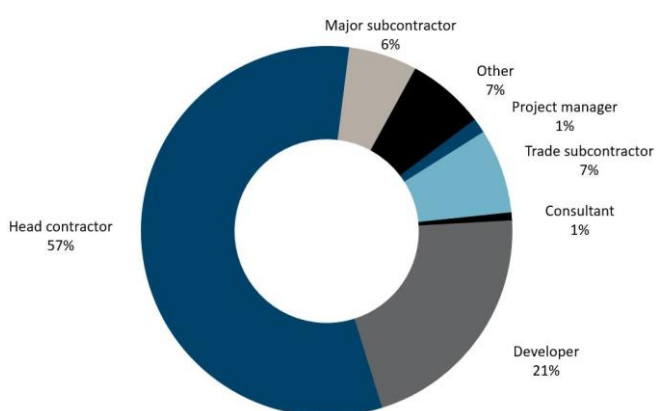


Figure 4: Percentage of applications by Respondent type made for 2022-23 financial year

APPLICATIONS BY REGION

Classifications are based on Australian Statistical Geography Standard (ASGS) 2011 Statistical Area Level 4 and Level 3 and determined using project site postcode information.

State-wide distribution of applications

Region	Jul-Dec	Jan-Jun	FY	%
Ballarat	4	4	8	2%
Bendigo	8	3	11	3%
Geelong	4	7	11	3%
Hume	7	6	13	3%
Latrobe - Gippsland	4	3	7	2%
Melbourne - Inner	56	59	115	30%
Melbourne - Inner East	23	15	38	10%
Melbourne - Inner South	16	16	32	8%
Melbourne - North East	6	8	14	4%
Melbourne - North West	12	7	19	5%
Melbourne - Outer East	14	17	31	8%
Melbourne - South East	16	17	33	9%
Melbourne - West	12	17	29	8%
Mornington Peninsula	3	7	10	3%
North West	0	1	1	0%
Shepparton	3	3	6	2%
Warrnambool and South West	1	0	1	0%
Various	0	1	1	0%
Other	0	4	4	1%
Total	189	195	384	100.00%

Table 7: State-wide distribution of applications for 2022-23 financial year

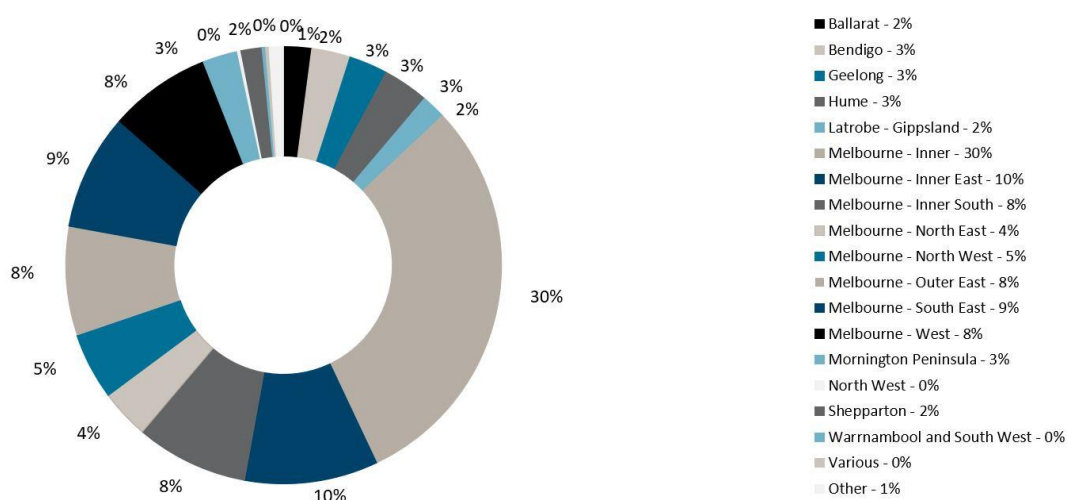


Figure 5 State-wide distribution of applications for 2022-23 financial year

Inner-Melbourne distribution of applications

Inner-Melbourne	Jul-Dec	Jan-Jun	FY	%
Melbourne - Inner	56	59	115	62%
Brunswick - Coburg	9	6	15	8%
Darebin - South	1	4	5	3%
Essendon	4	10	14	8%
Melbourne City	27	21	48	26%
Port Phillip	7	11	18	10%
Stonnington - West	3	1	4	2%
Yarra	5	6	11	6%
Melbourne - Inner East	23	15	38	21%
Boroondara	8	10	18	10%
Manningham - West	7	3	10	5%
Whitehorse - West	8	2	10	5%
Melbourne - Inner South	16	16	32	17%
Bayside	4	6	10	5%
Glen Eira	8	5	13	7%
Kingston	2	2	4	2%
Stonnington - East	2	3	5	3%
Total	95	90	185	100%

Table 8: Inner-Melbourne distribution of applications for 2022-23 financial year

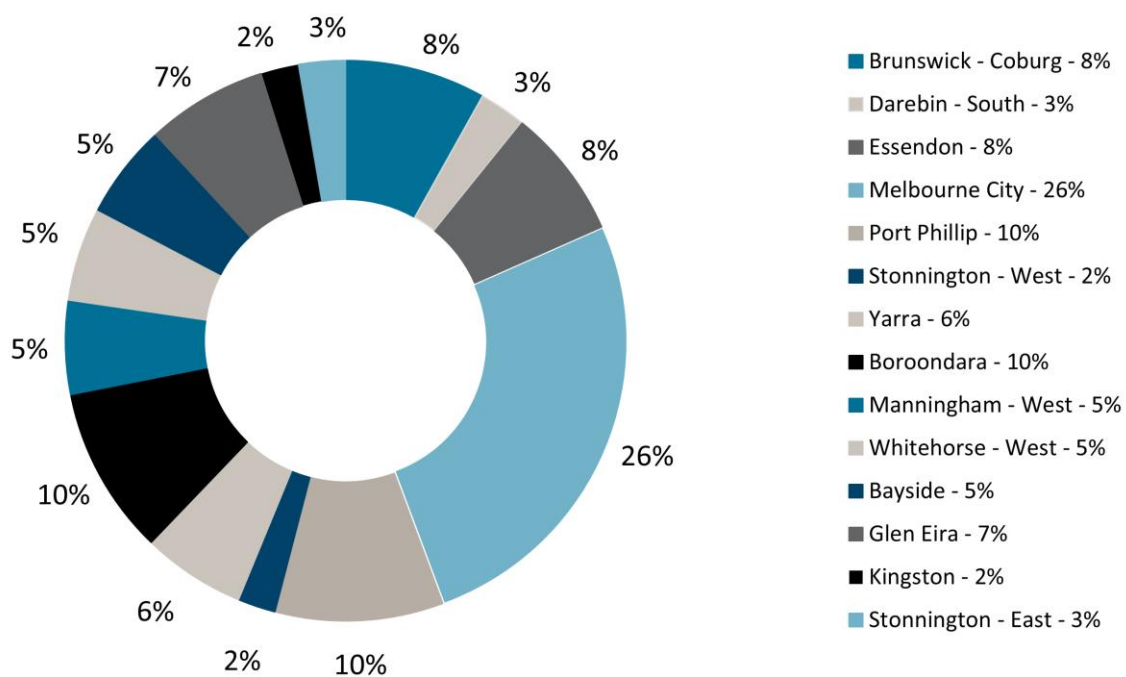


Figure 6: Inner-Melbourne distribution of applications made for 2022-23 financial year

Claimed amounts

Claimed amount statistics

Claimed amounts (\$)	Jul-Dec	Jan-Jun	FY
Sum of claimed amount	35,605,790	38,725,441	74,331,230
Maximum claimed amount	2,483,573	5,144,885	5,144,885
Minimum claimed amount	900	1,309	900
Average claimed amount	188,390	198,592	193,571

Table 9: Claimed amount statistics for 2022-23 financial year

Number of claims by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	14	11	25	7%
5,000-9,999	13	19	32	8%
10,000-24,999	34	30	64	17%
25,000-39,999	17	16	33	9%
40,000-99,999	34	47	81	21%
100,000-249,999	35	35	70	18%
250,000-499,999	24	21	45	12%
500,000-749,999	7	9	16	4%
750,000-999,999	5	2	7	2%
1,000,000-4,999,999	6	3	9	2%
5,000,000-9,999,999	0	2	2	1%
>10,000,000	0	0	0	0%
Total	189	195	384	100%

Table 10: Number of claims by claim range for 2022-23 financial year

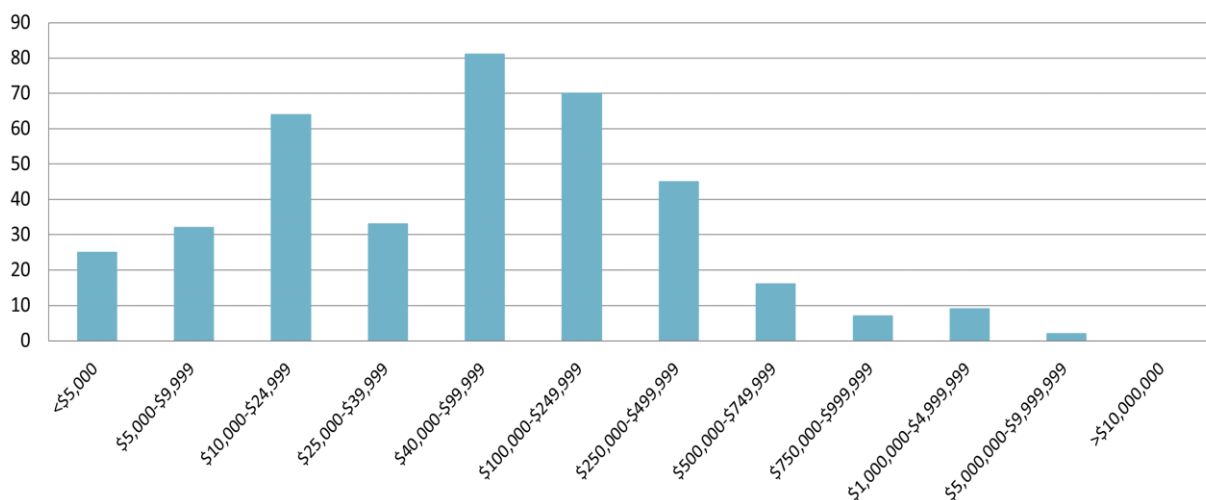


Figure 7: Number of claims by claim range made for 2022-23 financial year

Total sum of claimed amounts by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	40,045	29,307	69,353	0%
5,000-9,999	85,861	154,218	240,079	0%
10,000-24,999	546,679	529,468	1,076,147	1%
25,000-39,999	520,213	530,883	1,051,096	1%
40,000-99,999	2,165,171	3,113,471	5,278,642	7%
100,000-249,999	5,629,337	5,398,622	11,027,960	15%
250,000-499,999	8,448,681	7,475,411	15,924,092	21%
500,000-749,999	4,173,726	5,672,663	9,846,389	13%
750,000-999,999	4,369,482	1,956,020	6,325,502	9%
1,000,000-4,999,999	9,626,594	3,603,608	13,230,202	18%
5,000,000-9,999,999	0	10,261,769	10,261,769	14%
>10,000,000	0	0	0	0%
Total	35,605,790	38,725,441	74,331,230	100%

Table 11: Total sum of claimed amounts by claim range for 2022-23 financial year

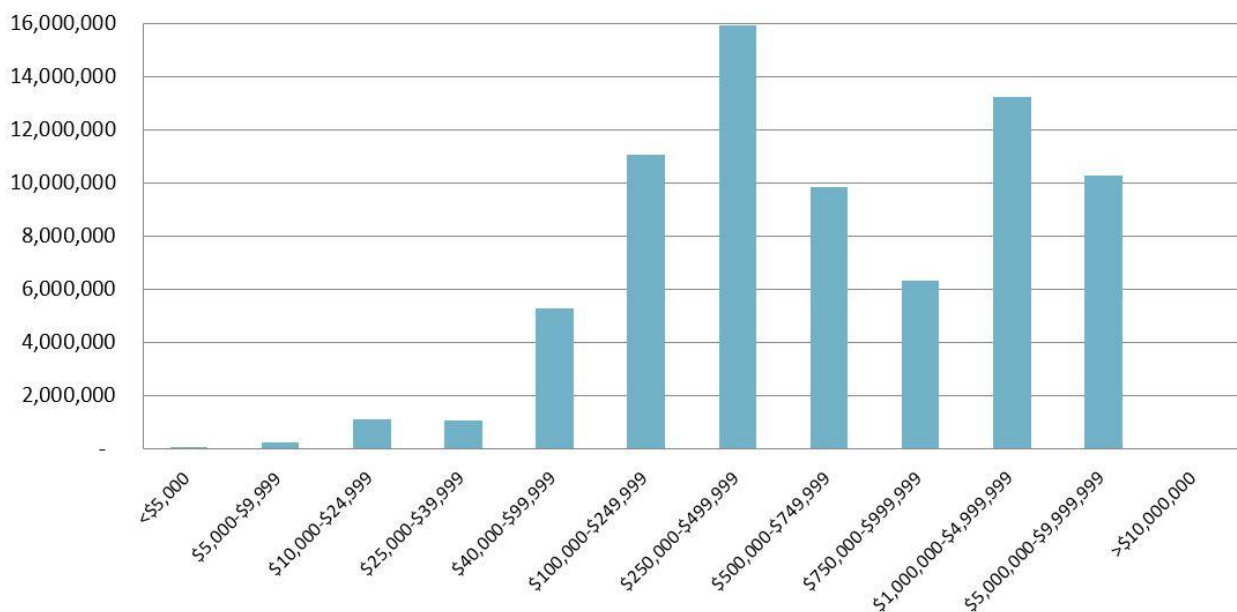


Figure 8: Total sum of claimed amounts by claim range made for 2022-23 financial year

Adjudicated amounts

Adjudicated amount statistics

Adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY
Sum of adjudicated amounts	13,370,053	11,686,730	25,056,783
Maximum adjudicated amount	900,000	2,245,758	2,245,758
Minimum adjudicated amount	0	0	0
Average adjudicated amount	122,661	135,892	128,496

Table 12: Adjudicated amount statistics for 2022-23 financial year

Number of adjudicated matters by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	29	29	58	27%
5,000-9,999	4	6	10	5%
10,000-24,999	19	11	30	14%
25,000-39,999	0	0	0	0%
40,000-99,999	22	27	49	23%
100,000-249,999	19	13	32	15%
250,000-499,999	15	8	23	11%
500,000-749,999	5	0	5	2%
750,000-999,999	1	2	3	1%
1,000,000-4,999,999	0	2	2	1%
5,000,000-9,999,999	0	0	0	0%
>10,000,000	0	0	0	0%
Total	114	98	212	100%

Table 13: Number of adjudicated matters by adjudicated amount range for 2022-23 financial year

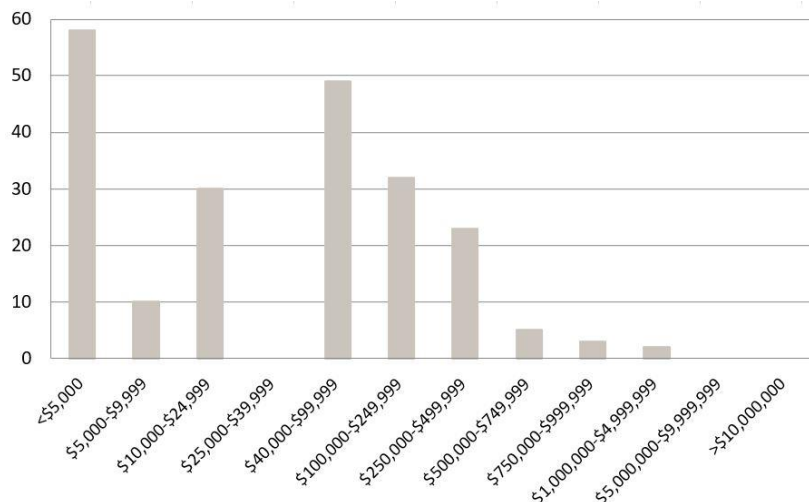


Figure 9: Number of adjudicated matters by adjudicated amount range made for 2022-23 financial year

Total sum of adjudicated amounts by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	34,118	16,653	50,771	0%
5,000-9,999	25,477	43,908	69,385	0%
10,000-24,999	330,698	185,568	516,265	2%
25,000-39,999	0	0	0	0%
40,000-99,999	994,866	1,343,786	2,338,652	9%
100,000-249,999	2,873,323	2,162,485	5,035,808	20%
250,000-499,999	5,137,892	2,732,582	7,870,474	31%
500,000-749,999	3,073,680	0	3,073,680	12%
750,000-999,999	900,000	1,825,437	2,725,437	11%
1,000,000-4,999,999	0	3,376,312	3,376,312	13%
5,000,000-9,999,999	0	0	0	0%
>10,000,000	0	0	0	0%
Total	13,370,053	11,686,730	25,056,783	100%

Table 14: Total sum of adjudicated amounts by adjudicated amount range for 2022-23 financial year

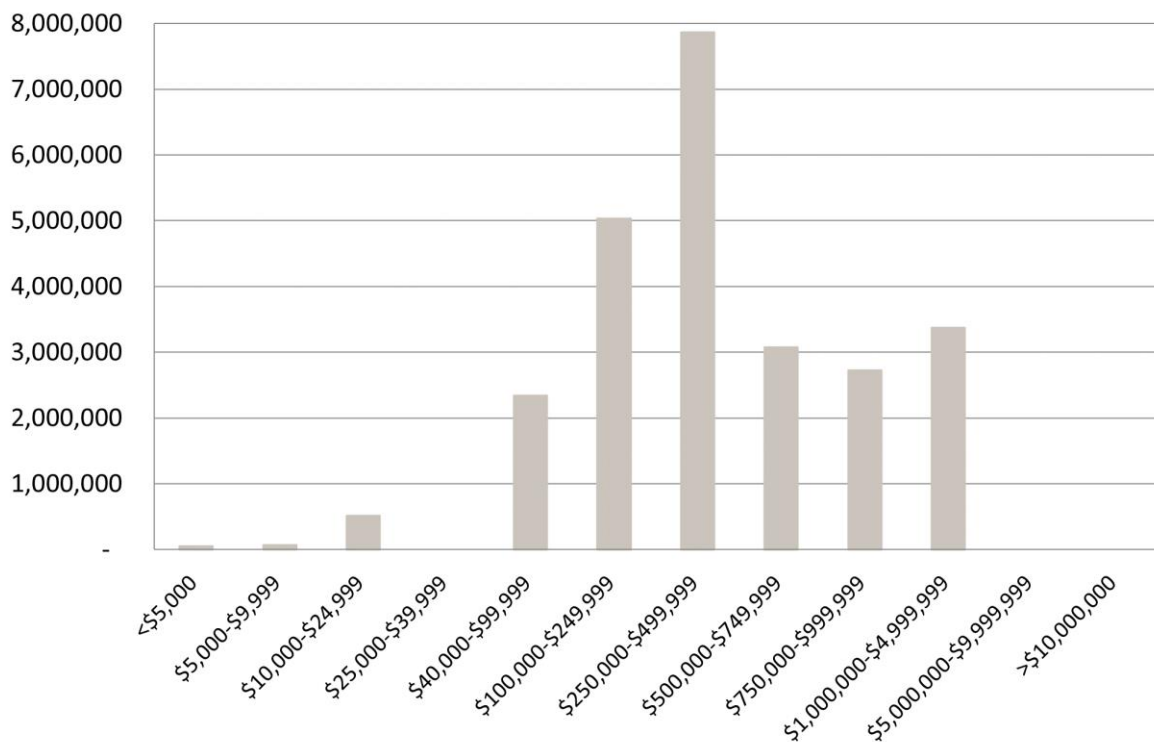


Figure 10: Total sum of adjudicated amounts by adjudicated amount range made for 2022-23 financial year

Claimed amounts versus adjudicated amounts

Number of claimed matters versus adjudicated matters by claim range

Range of amounts (\$)	Jul-Dec		Jan-Jun		FY	
	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount
<5,000	14	29	11	29	25	58
5,000-9,999	13	4	19	6	32	10
10,000-24,999	34	19	30	11	64	30
25,000-39,999	17	0	16	0	33	0
40,000-99,999	34	22	47	27	81	49
100,000-249,999	35	19	35	13	70	32
250,000-499,999	24	15	21	8	45	23
500,000-749,999	7	5	9	0	16	5
750,000-999,999	5	1	2	2	7	3
1,000,000-4,999,999	6	0	3	2	9	2
5,000,000-9,999,999	0	0	2	0	2	0
>10,000,000	0	0	0	0	0	0
Total	189	114	195	98	384	212

Table 15: Number of claimed matters versus adjudicated matters by claim amount range for 2022-23 financial year

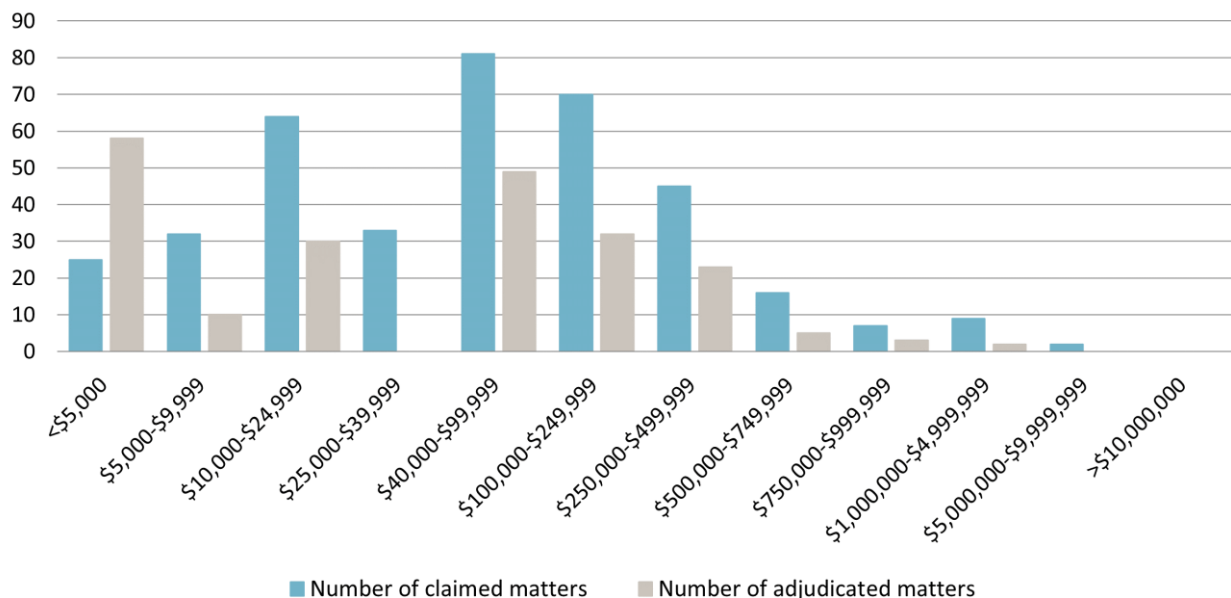


Figure 11: Number of claimed matters versus adjudicated matters by claim range made for 2022-23 financial year

Total sum of claimed amounts versus total sum of adjudicated amounts by claim range

Range of amounts (\$)	Jul-Dec		Jan-Jun		FY	
	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount
<5,000	40,045	34,118	29,307	16,653	69,353	50,771
5,000-9,999	85,861	25,477	154,218	43,908	240,079	69,385
10,000-24,999	546,679	330,698	529,468	185,568	1,076,147	516,265
25,000-39,999	520,213	0	530,883	0	1,051,096	0
40,000-99,999	2,165,171	994,866	3,113,471	1,343,786	5,278,642	2,338,652
100,000-249,999	5,629,337	2,873,323	5,398,622	2,162,485	11,027,960	5,035,808
250,000-499,999	8,448,681	5,137,892	7,475,411	2,732,582	15,924,092	7,870,474
500,000-749,999	4,173,726	3,073,680	5,672,663	0	9,846,389	3,073,680
750,000-999,999	4,369,482	900,000	1,956,020	1,825,437	6,325,502	2,725,437
1,000,000-4,999,999	9,626,594	0	3,603,608	3,376,312	13,230,202	3,376,312
5,000,000-9,999,999	0	0	10,261,769	0	10,261,769	0
>10,000,000	0	0	0	0	0	0
Total	35,605,790	13,370,053	38,725,441	11,686,730	74,331,230	25,056,783

Table 16: Total sum of claimed amounts versus total sum of adjudicated amounts by claim range for 2022-23 financial year

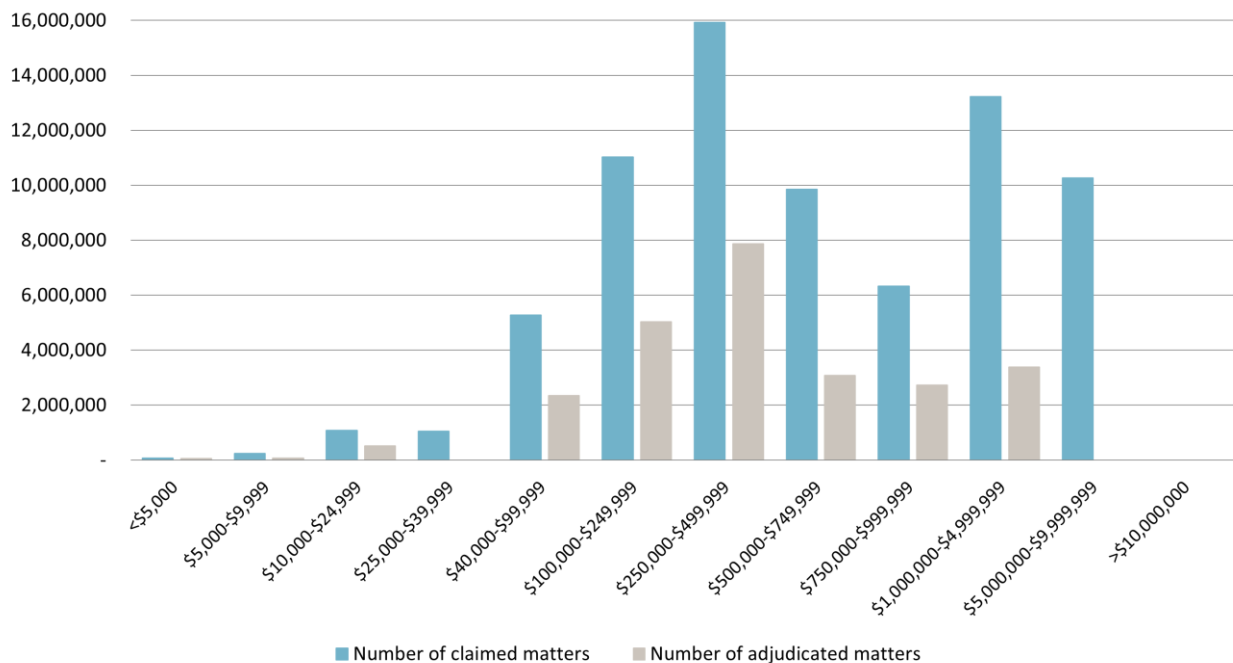


Figure 12 Total sum of claimed amounts versus total sum of adjudicated amounts by claim range made for 2022-23 financial year

Adjudicated amount as a percentage of claimed amount

Adjudicated amount as a percentage of claimed amount by claim range

Range of claimed amounts (\$)	Number of applications	Number of determined applications	Number of adjudicated amounts equal to the claimed amount	% of adjudicated amounts equal to the claimed amount	Average claimed amount (\$)	Average determined amount (\$)
<5,000	25	58	12	21%	2,774	2,477
5,000-9,999	32	10	6	60%	7,502	4,870
10,000-24,999	64	30	18	60%	16,815	14,194
25,000-39,999	33	0	8	0	31,851	25,587
40,000-99,999	81	49	11	22%	65,168	40,053
100,000-249,999	70	32	13	41%	157,542	100,449
250,000-499,999	45	23	8	35%	353,869	200,624
500,000-749,999	16	5	1	20%	615,399	324,150
750,000-999,999	7	3	2	67%	903,643	619,744
1,000,000-4,999,999	9	2	1	50%	1,470,022	613,210
5,000,000-9,999,999	2	0	0	0%	5,130,884	2,245,758
>10,000,000	0	0	0	0	0	0
Total	384	212	80			

Table 17: Adjudicated amount as a percentage of claimed amount by claim range for 2022-23 financial year

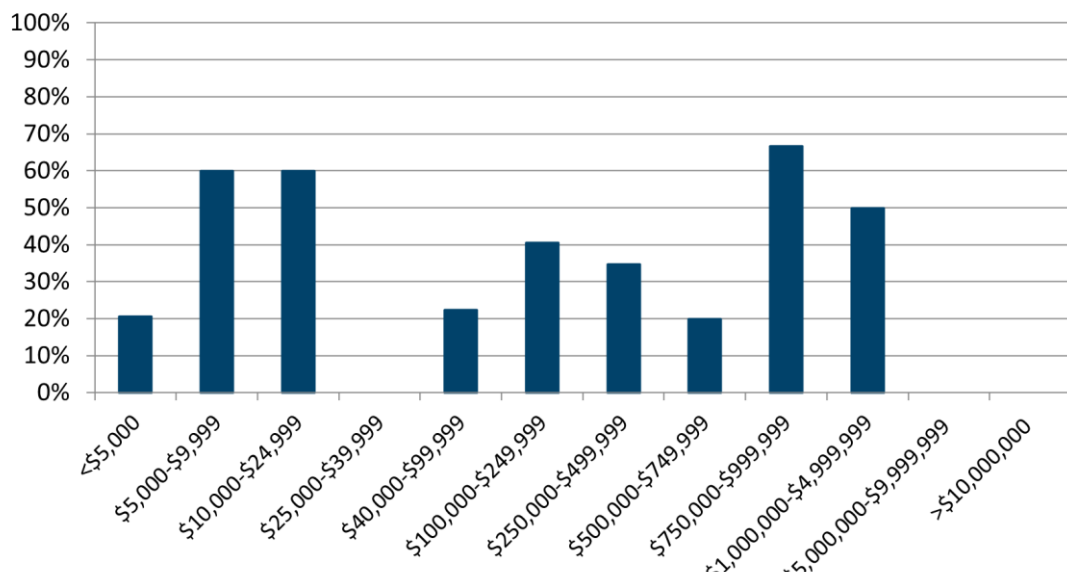


Figure 13: Adjudicated amount as a percentage of claimed amount by claim range made for 2022-23 financial year

Adjudication fees

Total adjudication fees (excluding administration and adjudication certificate fees)

Adjudication Fees (\$)	Jul-Dec	Jan-Jun	FY	%
Application fees	0	0	0	0%
Adjudicator fees	868,949	651,734	1,520,682	100%
Adjudicator share	692,107	499,206	1,191,313	78%
ANA share	176,841	152,528	329,369	22%
Total	868,949	651,734	1,520,682	100%

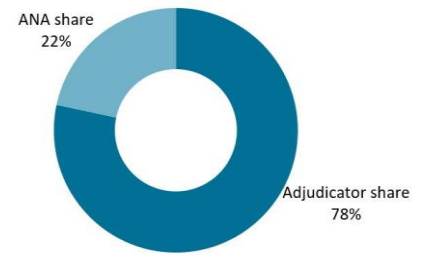


Table 18: Total adjudication fees (excluding administration and adjudication certificate fees)

Figure 14: Distribution of Adjudicator fees between Adjudicator and ANA

Average adjudicator fee as a percentage of the average claimed amount by claim range

Range of claimed amounts (\$)	Number of claimed matters	Average claimed amount (\$)	Average adjudicator fee (\$)	Average adjudicator fee payable by claimant (\$)	Average adjudicator fee payable by respondent (\$)	Average fee as a % of the average claimed amount (\$)	Average payable by claimant (%)	Average payable by respondent (%)
<5,000	13	2,682	706	52	654	26.3%	7%	93%
5,000-9,999	13	6,912	1,160	324	836	16.8%	28%	72%
10,000-24,999	36	17,178	2,031	261	1,770	11.8%	13%	87%
25,000-39,999	20	32,506	3,694	599	3,095	11.4%	16%	84%
40,000-99,999	37	65,475	4,357	1,005	3,352	6.7%	23%	77%
100,000-249,999	38	152,723	8,635	2,784	5,851	5.7%	32%	68%
250,000-499,999	31	359,776	11,957	4,738	7,218	3.3%	40%	60%
500,000-749,999	11	594,684	18,035	7,644	10,391	3.0%	42%	58%
750,000-999,999	6	891,279	17,620	8,673	8,946	2.0%	49%	51%
1,000,000-4,999,999	6	1,615,806	24,083	8,985	15,098	1.5%	37%	63%
5,000,000-9,999,999	1	5,116,884	61,600	30,800	30,800	1.2%	50%	50%
>10,000,000	0	0	0	0	0	0	0	0
Total	212							

Table 19: Average adjudicator fee as a percentage of the average claimed amount by claim range (determined applications only) for 2022-23 financial year

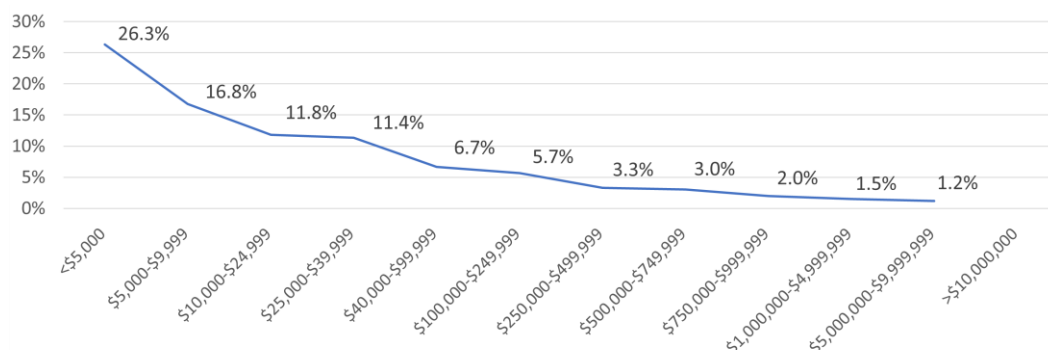


Figure 15: Average adjudicator fee as a percentage of the average claimed amount by claim range (determined applications only) for 2022-23 financial year

Adjudicator fees

Total Adjudicator fees for completed applications by claim range

Range of claimed amounts (\$)	Number	Total	Average	Minimum	Maximum
<5,000	24	9,182	706	110	1,000
5,000-9,999	31	15,829	931	0	1,364
10,000-24,999	62	70,851	1,771	0	4,636
25,000-39,999	33	65,650	3,455	0	4,636
40,000-99,999	75	156,499	3,402	0	15,400
100,000-249,999	66	324,308	7,910	0	23,232
250,000-499,999	42	363,424	10,689	0	41,800
500,000-749,999	15	203,120	15,625	0	36,080
750,000-999,999	7	105,718	17,620	1,636	33,440
1,000,000-4,999,999	8	144,500	20,643	0	45,430
5,000,000-9,999,999	1	61,600	61,600	61,600	61,600
>10,000,000	0	0	0	0	0
Total	364	1,520,682			

Table 20: Total Adjudicator fees for completed applications by claim range for 2022-23 financial year

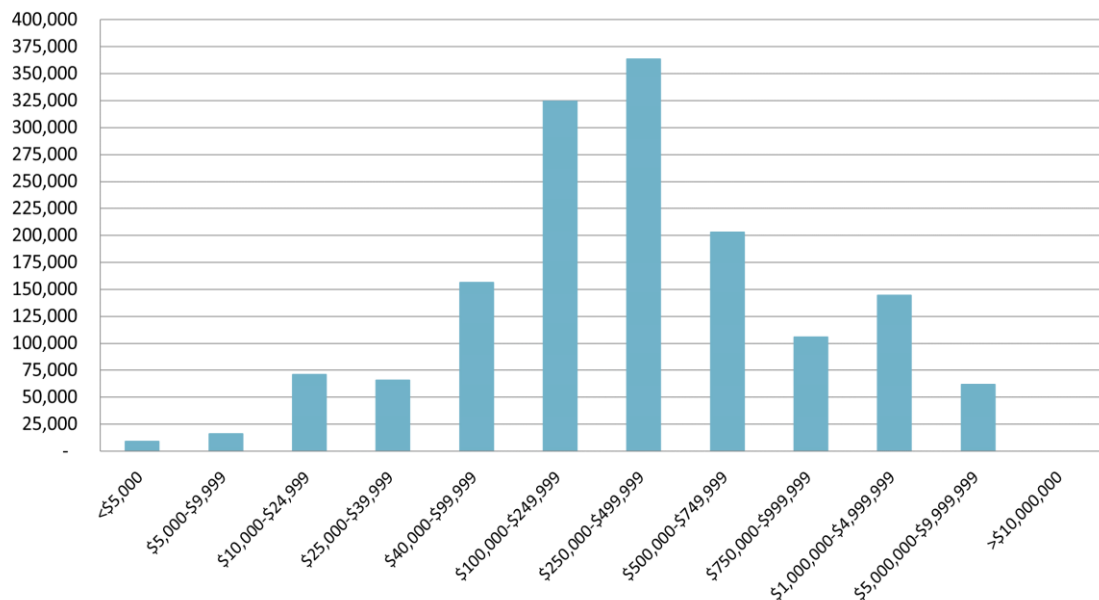


Figure 16: Total Adjudicator fees for completed applications by claim range made for 2022-23 financial year

Apportionment of adjudicator fees between claimants and respondents

Range of claimed amounts (\$)	Number of applications	Total adjudicator fee (\$)	Total payable by claimant (\$)	Total payable by respondent (\$)	Average payable by claimant (\$)	Average payable by respondent (\$)
<5,000	24	9,182	675	8,507	52	654
5,000-9,999	31	15,829	4,959	10,870	292	639
10,000-24,999	62	70,851	9,775	61,076	244	1,527
25,000-39,999	33	65,650	11,607	54,043	611	2,844
40,000-99,999	75	156,499	38,268	118,231	832	2,570
100,000-249,999	66	324,308	105,426	218,883	2,510	5,211
250,000-499,999	42	363,424	144,510	218,914	4,250	6,439
500,000-749,999	15	203,120	88,819	114,301	6,832	8,792
750,000-999,999	7	105,718	52,041	53,677	8,673	8,946
1,000,000-4,999,999	8	144,500	53,909	90,591	7,701	12,942
5,000,000-9,999,999	1	61,600	30,800	30,800	30,800	30,800
>10,000,000	0	0	0	0	0	0
Total	364	1,520,682	540,789	979,893		

Table 21: Adjudicator fees payable for completed applications by claimant and respondent based on claim range for 2022-23 financial year

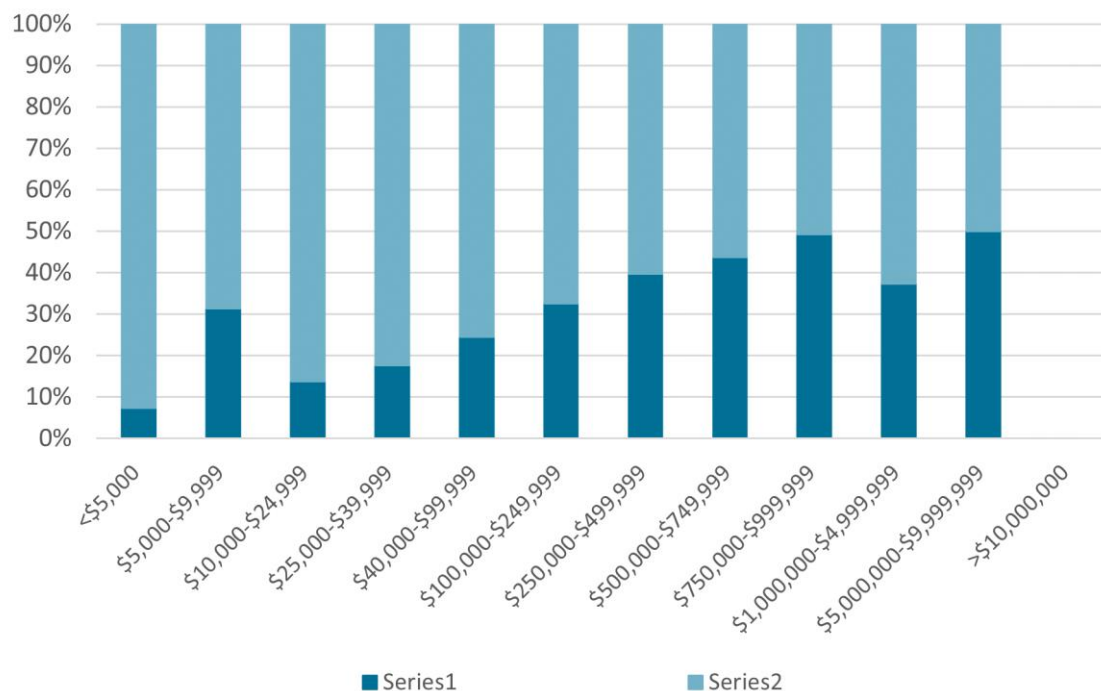


Figure 17: Apportionment of adjudicator fees payable for completed applications by claimant and respondent for claim range made for 2022-23 financial year

Adjudication certificates

Number of adjudication certificates issued versus number of determinations

Adjudication certificates issued	Jul-Dec	Jan-Jun	FY
Applications determined	114	98	212
Adjudication certificates issued	39	25	64
Certificates issued versus determinations	34%	26%	30%

Table 22: Number of Adjudication certificates issued versus number of determinations for 2022-23 financial year

Adjudication certificate fees

Adjudication certificate fees (\$)	Jul-Dec	Jan-Jun	FY
Total Adjudication certificate fees	9,650	6,550	16,200
Average Adjudication certificate fee	247	262	253

Table 23: Adjudication certificate fees for 2022-23 financial year

Number of adjudication certificates issued by range of adjudicated amount

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	5	2	7	11%
5,000-9,999	1	2	3	5%
10,000-24,999	7	3	10	16%
25,000-39,999	0	0	0	0%
40,000-99,999	8	9	17	27%
100,000-249,999	10	5	15	23%
250,000-499,999	6	3	9	14%
500,000-749,999	1	0	1	2%
750,000-999,999	1	0	1	2%
1,000,000-4,999,999	0	1	1	2%
5,000,000-9,999,999	0	0	0	0%
>10,000,000	0	0	0	0%
Total	39	25	64	100%

Table 24: Number of adjudication certificates by range of adjudicated amount for 2022-23 financial year

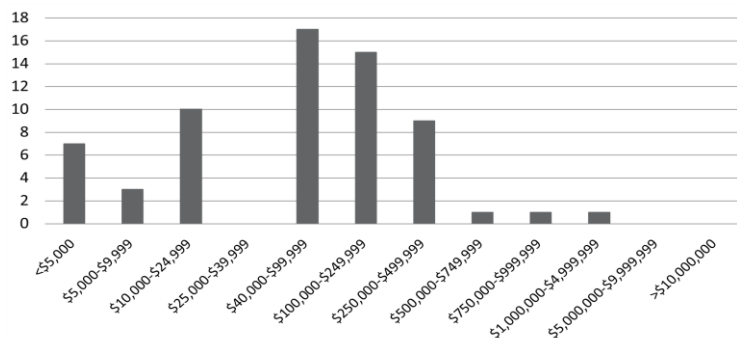


Figure 18: Number of adjudication certificates issued by adjudicated amount made for 2022-23 financial

List of Authorised Nominating Authorities

The organisations below were authorised as Authorised Nominating Authorities under section 42 of the SOP Act during the 2022-2023 financial year.

Adjudicate Today Pty Limited

Resolution Institute

Rialto Adjudications Pty Limited

RICS Dispute Resolution Service
