

Building and Construction Industry

Security of Payment Act 2002

Adjudication Activity Statistics

2014-2015 FINANCIAL YEAR



VICTORIAN
BUILDING
AUTHORITY

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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:

Rounding – Where figures have been rounded, discrepancies may occur between sums of the component items and totals shown.

GST – All amounts are GST exclusive.

Variance – Minor variances in the data reported in the VBA 2014-2015 Annual Report and this report are the result of updated data.

Building and Construction Industry Security of Payment Act 2002

The *Building and Construction Industry Security of Payment Act 2002* (the SOP Act) provides contractors with a quick, inexpensive and non-legalistic way to recover money owed to them and to resolve payment disputes through adjudication. 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 2014-2015 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. The information requested by the VBA may include information regarding the nomination of adjudicators and appointment of review adjudicators, the assessment of the eligibility of persons to be adjudicators, the fees charged by the ANA and the fees charged by adjudicators.

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

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

Applications

APPLICATION STATISTICS

Applications lodged, determined, not determined

Applications	Jul-Dec	Jan-Jun	FY	%
Applications lodged	188	145	333	-
Applications determined	130	95	225	68%
Applications not determined	58	50	108	32%

Table 1: Application statistics

Reason application not determined

Reason not determined	Jul-Dec	Jan-Jun	FY	%
Settled by parties	18	9	27	25%
Withdrawn by claimant	13	18	31	29%
No jurisdiction	6	4	10	9%
Timed out	13	1	14	13%
Other	8	1	9	8%
Not yet determined	-	17	17	16%
Total	58	50	108	100%

Table 2: Reason application not determined

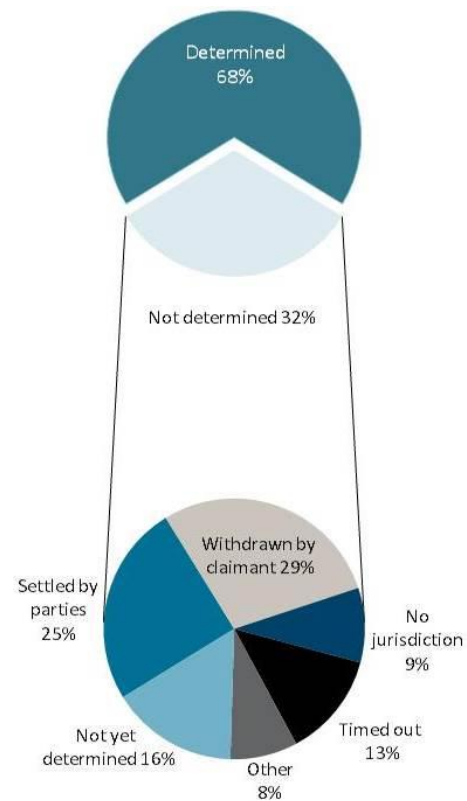


Figure 1: Applications determined vs not determined and reason application not determined

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)	112	81	193	58%
Section 18(1)(a)(ii)	6	2	8	2%
Section 18(1)(b)	70	62	132	40%
Total	188	145	333	100%

Table 3: Applications by section of the SOP Act

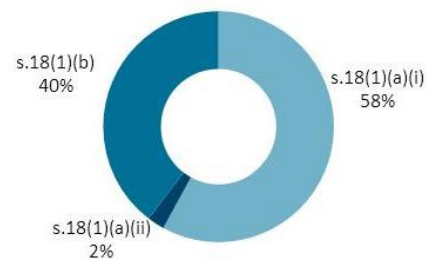


Figure 2: Section of SOP Act under which application made

Section 18(2) notices

	Jul-Dec	Jan-Jun	FY
Section 18(2) notice issued	70	62	132

Table 4: Section 18(2) notices

APPLICATIONS BY CLAIMANT AND RESPONDENT TYPE

Claimant statistics

Claimant type	Jul-Dec	Jan-Jun	FY	%
Consultant	2	9	11	3%
Developer	2	-	2	1%
Head contractor	21	12	33	10%
Major subcontractor	20	30	50	15%
Manufacturer of building materials or components	2	1	3	1%
Project manager	5	1	6	2%
Supplier	6	3	9	3%
Trade subcontractor	130	89	219	66%
Total	188	145	333	100%

Table 5: Claimant type

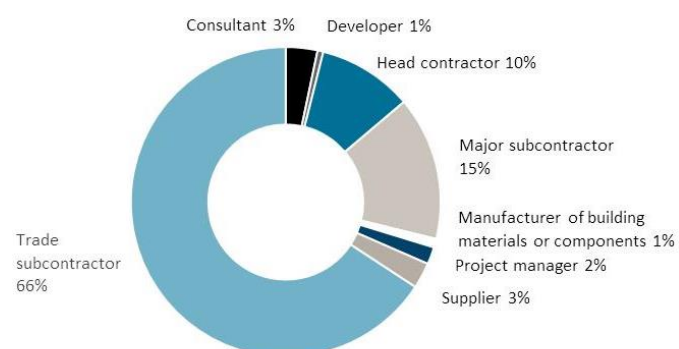


Figure 3: Claimant type

Respondent statistics

Respondent type	Jul-Dec	Jan-Jun	FY	%
Developer	50	26	76	23%
Head contractor	112	97	209	63%
Major subcontractor	19	16	35	11%
Trade subcontractor	5	6	11	3%
Supplier	2	-	2	1%
Total	188	145	333	100%

Table 5: Respondent type

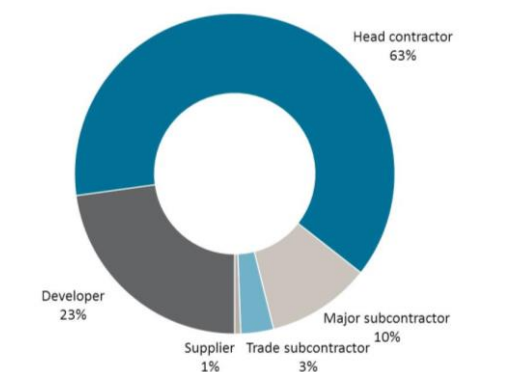


Figure 4: Respondent type

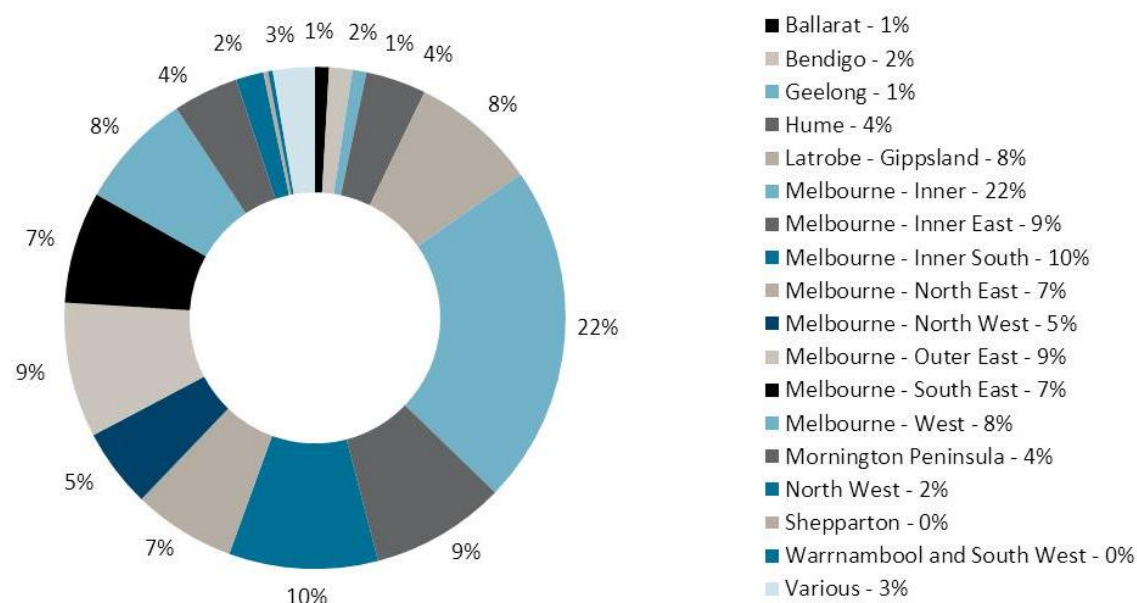
APPLICATIONS BY REGION

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

Region	Jul-Dec	Jan-Jun	FY	%
Ballarat	1	2	3	1%
Bendigo	2	3	5	2%
Geelong	1	2	3	1%
Hume	11	2	13	4%
Latrobe - Gippsland	14	13	27	8%
Melbourne - Inner	39	34	73	22%
Melbourne - Inner East	13	16	29	9%
Melbourne - Inner South	17	15	32	10%
Melbourne - North East	14	8	22	7%
Melbourne - North West	8	9	17	5%
Melbourne - Outer East	22	7	29	9%
Melbourne - South East	14	10	24	7%
Melbourne - West	19	6	25	8%
Mornington Peninsula	6	8	14	4%
North West	3	3	6	2%
Shepparton	1	-	1	0%
Warrnambool and South West	1	-	1	0%
Various	2	7	9	3%
Total	188	145	333	100%

Table 7: State-wide distribution



Inner-Melbourne distribution

Inner-Melbourne	Jul-Dec	Jan-Jun	FY	%
Melbourne - Inner	39	34	73	54%
Brunswick - Coburg	3	6	9	7%
Darebin - South	3	2	5	4%
Essendon	4	1	5	4%
Melbourne City	20	12	32	24%
Port Phillip	4	5	9	7%
Stonnington - West	2	2	4	3%
Yarra	3	6	9	7%
Melbourne - Inner East	13	16	29	22%
Boroondara	5	9	14	10%
Manningham - West	2	5	7	5%
Whitehorse - West	6	2	8	6%
Melbourne - Inner South	17	15	32	24%
Bayside	3	10	13	10%
Glen Eira	1	-	1	1%
Kingston	13	5	18	13%
Total	69	65	134	100%

Table 8: Inner-Melbourne distribution

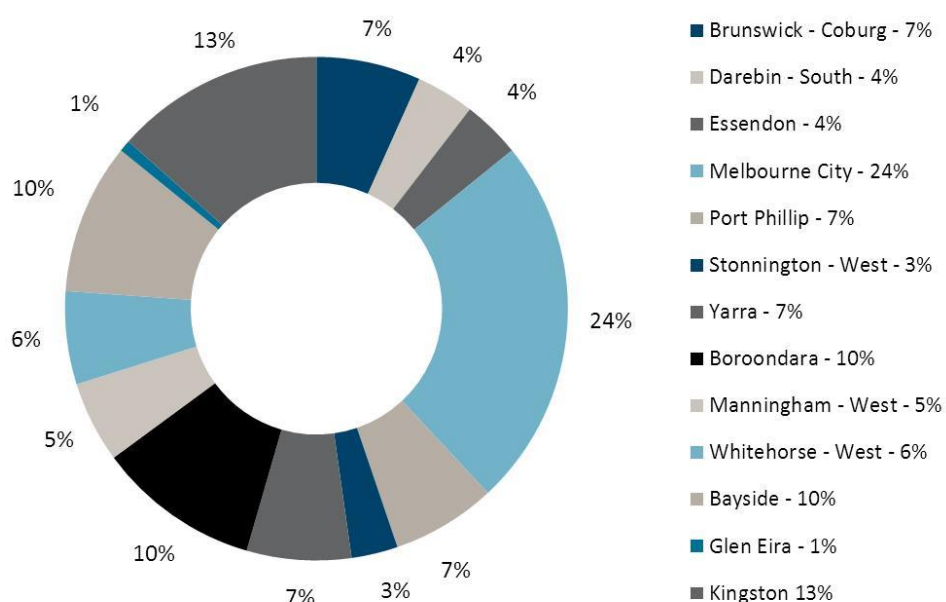


Figure 6: Inner-Melbourne distribution

Claimed amounts

Claimed amount statistics

Claimed amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of claimed amount	91,209,875.32	28,174,855.68	119,384,731.00
Maximum claimed amount	17,465,324.00	3,443,511.17	17,465,324.00
Minimum claimed amount	18.98	112.50	18.98
Average claimed amount	485,158.91	194,309.35	358,512.71

Table 9: Claimed amount statistics

Number of claims by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	44	20	64	19%
5,000-9,999	21	26	47	14%
10,000-24,999	31	33	64	19%
25,000-39,999	16	12	28	8%
40,000-99,999	34	19	53	16%
100,000-249,999	17	17	34	10%
250,000-499,999	7	4	11	3%
500,000-749,999	5	4	9	3%
750,000-999,999	3	1	4	1%
1,000,000-4,999,999	5	9	14	4%
5,000,000-9,999,999	1	-	1	0%
>10,000,000	4	-	4	1%
Total	188	145	333	100%

Table 10: Number of claims by claim range

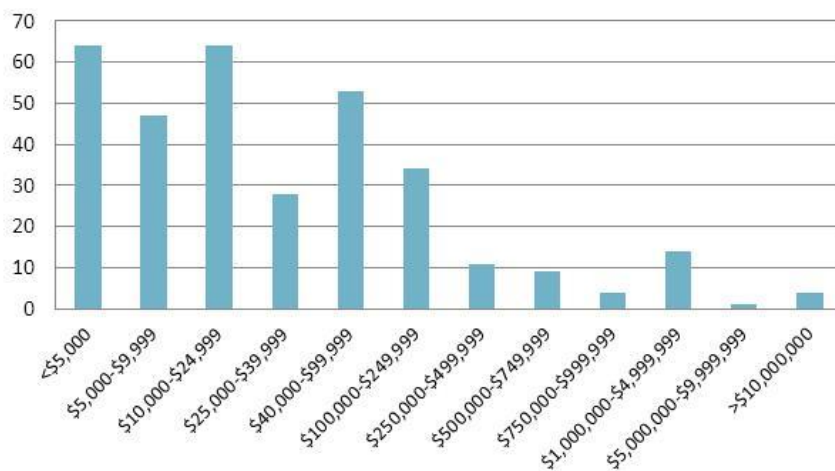


Figure 7: Number of claims by claim range

Claimed amount by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	78,977	47,313	126,290	0.1%
5,000-9,999	153,540	200,560	354,100	0.3%
10,000-24,999	550,405	513,082	1,063,488	0.9%
25,000-39,999	496,065	391,725	887,789	0.7%
40,000-99,999	2,177,592	1,190,896	3,368,488	2.8%
100,000-249,999	2,796,161	2,709,429	5,505,590	4.6%
250,000-499,999	2,684,006	1,379,440	4,063,447	3.4%
500,000-749,999	3,112,898	2,514,472	5,627,370	4.7%
750,000-999,999	2,401,231	887,883	3,289,114	2.8%
1,000,000-4,999,999	12,458,628	18,340,055	30,798,683	25.8%
5,000,000-9,999,999	7,151,971	-	7,151,971	6.0%
>10,000,000	57,148,400	-	57,148,400	47.9%
Total	91,209,875	28,174,856	119,384,731	100%

Table 11: Claimed amounts by claim range

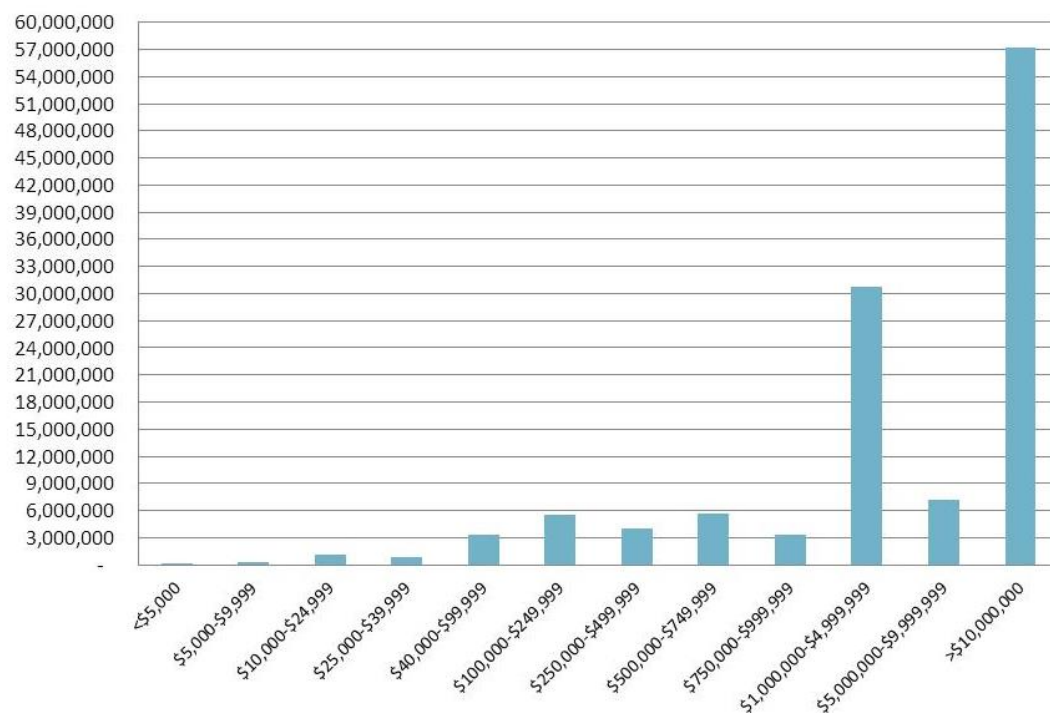


Figure 8: Total claimed amounts by claim range

Adjudicated amounts

Adjudicated amount statistics

Adjudicated amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of adjudicated amounts	19,098,739.16	10,767,207.18	29,865,946.34
Maximum adjudicated amount	3,713,026.00	2,884,921.00	3,713,026.00
Minimum adjudicated amount	0.00	0.00	0.00
Average adjudicated amount	150,383.77	114,544.76	135,140.03

Table 12: Adjudicated amount statistics

Number of adjudicated amounts by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	44	31	75	33%
5,000-9,999	10	14	24	11%
10,000-24,999	27	17	44	20%
25,000-39,999	9	8	17	8%
40,000-99,999	22	11	33	15%
100,000-249,999	6	6	12	5%
250,000-499,999	6	1	7	3%
500,000-749,999	-	4	4	2%
750,000-999,999	-	-	-	0%
1,000,000-4,999,999	6	3	9	4%
Total	130	95	225	100%

Table 13: Number of adjudicated amounts by adjudicated amount range

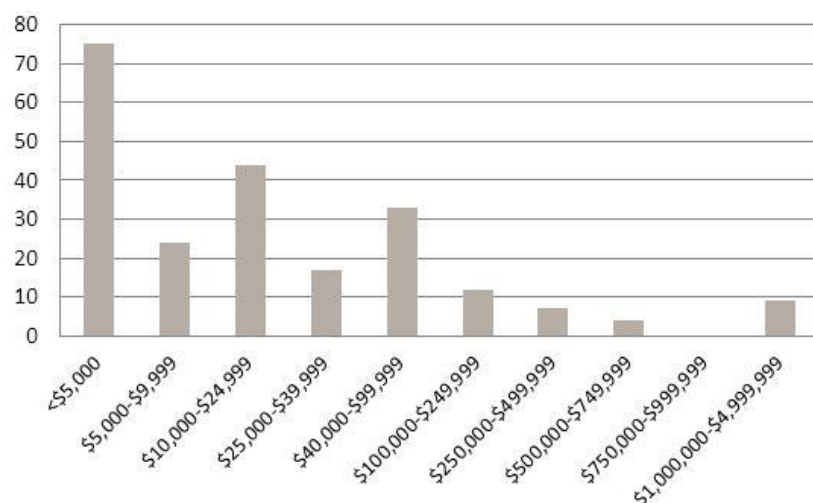


Figure 9: Number of adjudicated amounts by adjudicated amount range

Adjudicated amount by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	50,388	42,103	92,491	0.3%
5,000-9,999	74,631	106,638	181,270	1%
10,000-24,999	467,720	243,267	710,987	2%
25,000-39,999	292,910	240,442	533,352	2%
40,000-99,999	1,335,762	651,903	1,987,665	7%
100,000-249,999	991,745	1,005,597	1,997,342	7%
250,000-499,999	2,230,523	314,303	2,544,826	9%
500,000-749,999	-	2,670,374	2,670,374	9%
750,000-999,999	-	-	-	0%
1,000,000-4,999,999	13,655,060	5,492,579	19,147,639	64%
Total	19,098,739	10,767,207	29,865,946	100%

Table 14: Adjudicated amounts by adjudicated amount range

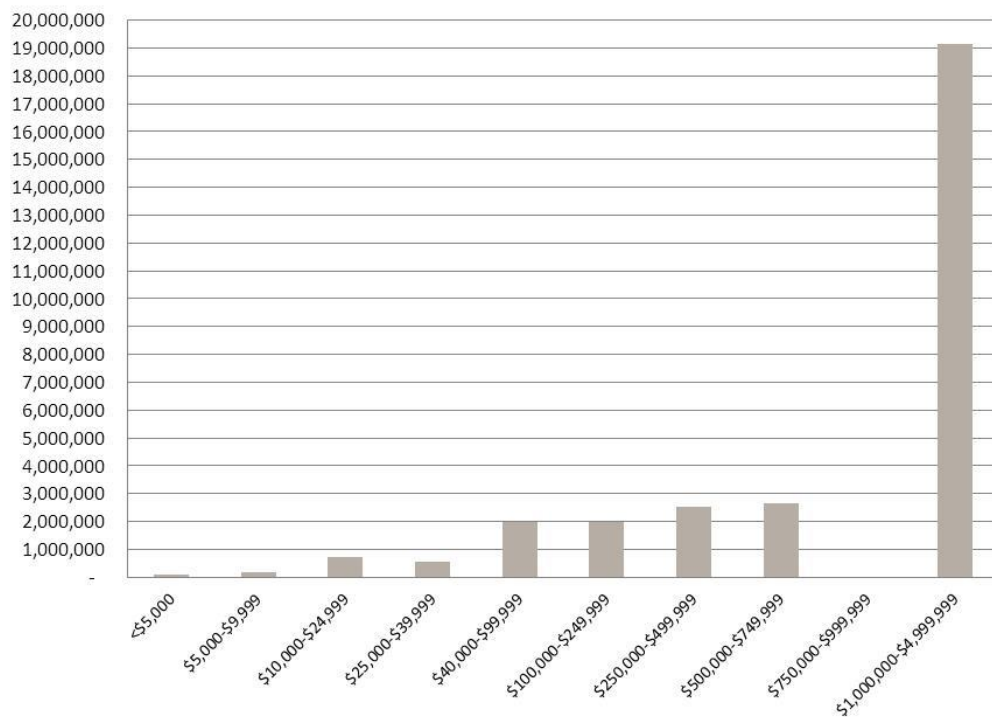


Figure 10: Total adjudicated amounts by adjudicated amount range

Claimed amounts versus adjudicated amounts

Claimed versus adjudicated amounts: numbers

Range of amounts (\$)	Jul-Dec		Jan-Jun		FY	
	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount
<5,000	44	44	20	31	64	75
5,000-9,999	21	10	26	14	47	24
10,000-24,999	31	27	33	17	64	44
25,000-39,999	16	9	12	8	28	17
40,000-99,999	34	22	19	11	53	33
100,000-249,999	17	6	17	6	34	12
250,000-499,999	7	6	4	1	11	7
500,000-749,999	5	-	4	4	9	4
750,000-999,999	3	-	1		4	-
1,000,000-4,999,999	5	6	9	3	14	9
5,000,000-9,999,999	1	-	-	-	1	-
>10,000,000	4	-	-	-	4	-
Total	188	130	145	95	333	225

Table 15: Claimed amounts vs adjudicated amounts: numbers

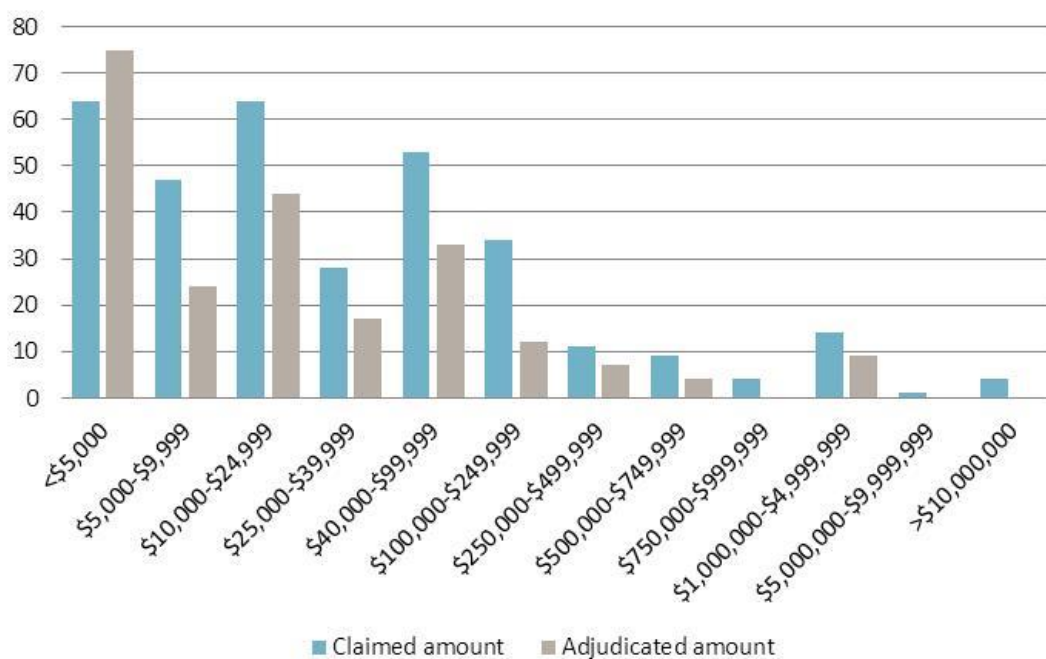


Figure 11: Claimed amounts versus adjudicated amounts: numbers

Claimed versus adjudicated amounts – amounts

Range of amounts (\$)	Jul-Dec		Jan-Jun		FY	
	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount
<5,000	78,977	50,388	47,313	42,103	126,290	92,491
5,000-9,999	153,540	74,631	200,560	106,638	354,100	181,270
10,000-24,999	550,405	467,720	513,082	243,267	1,063,488	710,987
25,000-39,999	496,065	292,910	391,725	240,442	887,789	533,352
40,000-99,999	2,177,592	1,335,762	1,190,896	651,903	3,368,488	1,987,665
100,000-249,999	2,796,161	991,745	2,709,429	1,005,597	5,505,590	1,997,342
250,000-499,999	2,684,006	2,230,523	1,379,440	314,303	4,063,447	2,544,826
500,000-749,999	3,112,898	-	2,514,472	2,670,374	5,627,370	2,670,374
750,000-999,999	2,401,231	-	887,883	-	3,289,114	-
1,000,000-4,999,999	12,458,628	13,655,060	18,340,055	5,492,579	30,798,683	19,147,639
5,000,000-9,999,999	7,151,971	-	-	-	7,151,971	-
>10,000,000	57,148,400	-	-	-	57,148,400	-
Total	91,209,875	19,098,739	28,174,856	10,767,207	119,384,731	29,865,946

Table 16: Claimed amounts vs adjudicated amounts: amounts

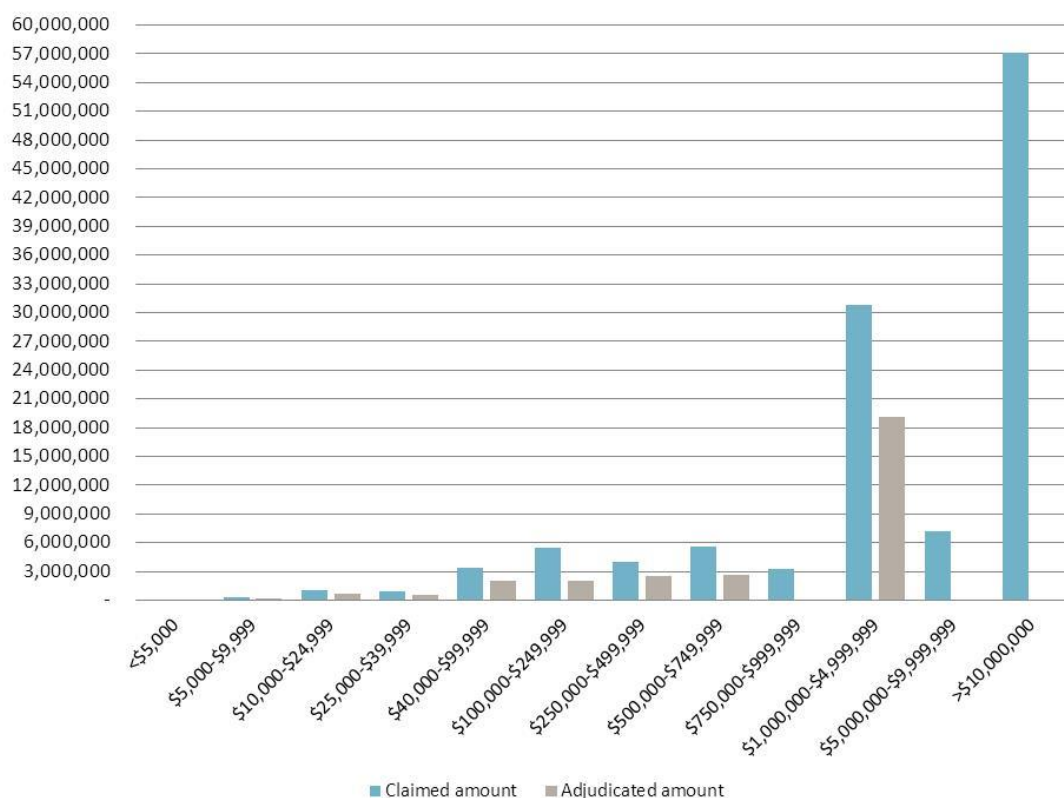


Figure 12: Claimed amounts versus adjudicated amounts: amounts

Adjudicated amount as a percentage of claimed amount

Adjudicated amount as a percentage of claimed amount

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	64	38	35	92%	1,943	1,787
5,000-9,999	47	31	16	52%	7,597	5,951
10,000-24,999	64	48	22	46%	16,532	12,947
25,000-39,999	28	16	7	44%	31,921	23,083
40,000-99,999	53	39	11	28%	64,721	46,918
100,000-249,999	34	21	2	10%	172,712	87,529
250,000-499,999	11	7	1	14%	374,170	239,094
500,000-749,999	9	6	1	17%	657,919	354,999
750,000-999,999	4	3	-	0%	828,405	414,308
1,000,000-4,999,999	14	12	3	25%	2,214,747	1,036,346
5,000,000-9,999,999	1	1	-	0%	7,151,971	3,713,026
>10,000,000	4	3	-	0%	14,415,639	1,265,650
Total	333	225	98	-	-	-

Table 17: Adjudicated amount as a percentage of claimed amount

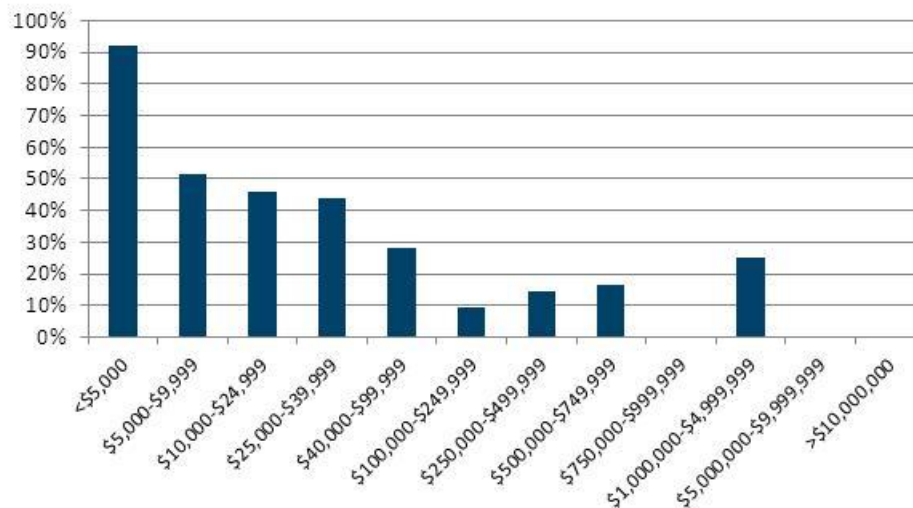


Figure 13: Adjudicated amount as a percentage of claimed amount

Adjudication fees

Total adjudication fees (excluding administration and adjudication certificate fees)

Adjudication Fees	Jul-Dec	Jan-Jun	FY	%
Application fees	680.00	2,910.00	3,590.00	0.27%
Adjudicator fees	841,507.06	476,687.77	1,318,194.83	99.73%
Adjudicator share	701,839.96	376,656.94	1,078,496.90	82%
ANA share	139,667.10	100,030.83	239,697.93	18%
Total	842,187.06	479,597.77	1,321,784.83	100%

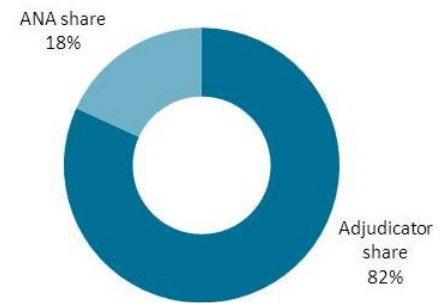


Table 18: Total adjudication fees (excluding administration and adjudication certificate fees)

Figure 14: Distribution of Adjudicator fees between Adjudicator and ANA

Average adjudicator fee as a percentage of the average claimed amount

Range of claimed amounts (\$)	Number of claimed amounts	Average claimed amount (\$)	Average adjudicator fee (\$)	Average payable by claimant (\$)	Average payable by respondent (\$)	Average fee as a % of the average claimed amount (\$)	Average payable by claimant (%)	Average payable by respondent (%)
<\$5,000	38	1,943	525	16	509	27.0%	3%	97%
\$5,000-\$9,999	31	7,597	1,093	135	958	14.4%	12%	88%
\$10,000-\$24,999	48	16,532	1,496	243	1,252	9.0%	16%	84%
\$25,000-\$39,999	16	31,921	2,075	292	1,783	6.5%	14%	86%
\$40,000-\$99,999	39	64,721	3,909	733	3,176	6.0%	19%	81%
\$100,000-\$249,999	21	172,712	8,475	2,582	5,893	4.9%	30%	70%
\$250,000-\$499,999	7	374,170	12,186	2,858	9,328	3.3%	23%	77%
\$500,000-\$749,999	6	657,919	12,838	3,474	9,363	2.0%	27%	73%
\$750,000-\$999,999	3	828,405	41,761	11,879	29,882	5.0%	28%	72%
\$1,000,000-\$4,999,999	12	2,214,747	22,608	9,354	13,253	1.0%	41%	59%
\$5,000,000-\$9,999,999	1	7,151,971	90,250	9,025	81,225	1.3%	10%	90%
>\$10,000,000	3	14,415,639	58,143	22,786	35,358	0.4%	39%	61%
Total	225	-	-	-	-	-	-	-

Table 19: Average adjudicator fee as a percentage of the average claimed amount (determined applications only)

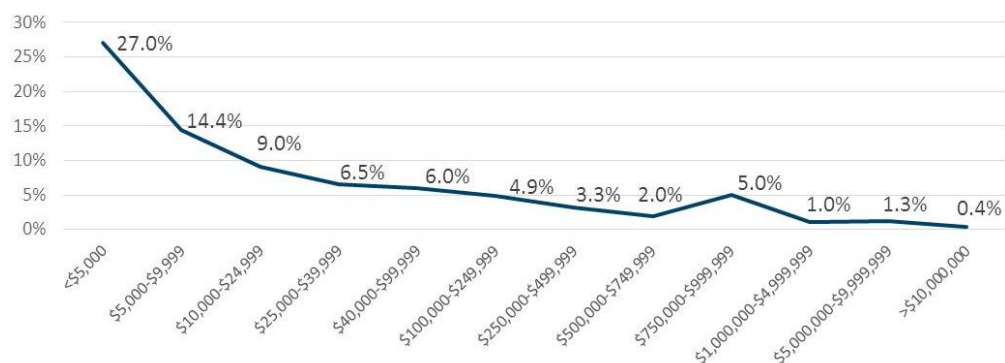


Figure 15: Average adjudicator fee as a percentage of the average claimed amount

Adjudicator fees

Adjudicator fees

Range of claimed amounts (\$)	Number	Total	Average	Minimum	Maximum
<5,000	64	20,421	358	0	4,000
5,000-9,999	43	33,885	826	0	4,500
10,000-24,999	60	68,795	1,298	0	4,410
25,000-39,999	26	33,921	1,305	0	5,000
40,000-99,999	49	152,456	3,176	0	10,730
100,000-249,999	33	182,165	5,520	0	22,000
250,000-499,999	11	85,300	7,755	0	17,760
500,000-749,999	9	77,025	9,628	0	28,000
750,000-999,999	4	128,257	32,064	2,975	58,182
1,000,000-4,999,999	12	271,290	22,608	0	77,273
5,000,000-9,999,999	1	90,250	90,250	90,250	90,250
>10,000,000	4	174,430	43,608	0	79,000
Total	316	1,318,195	-	-	-

Table 20: Adjudicator fees by claimed amounts (completed applications)

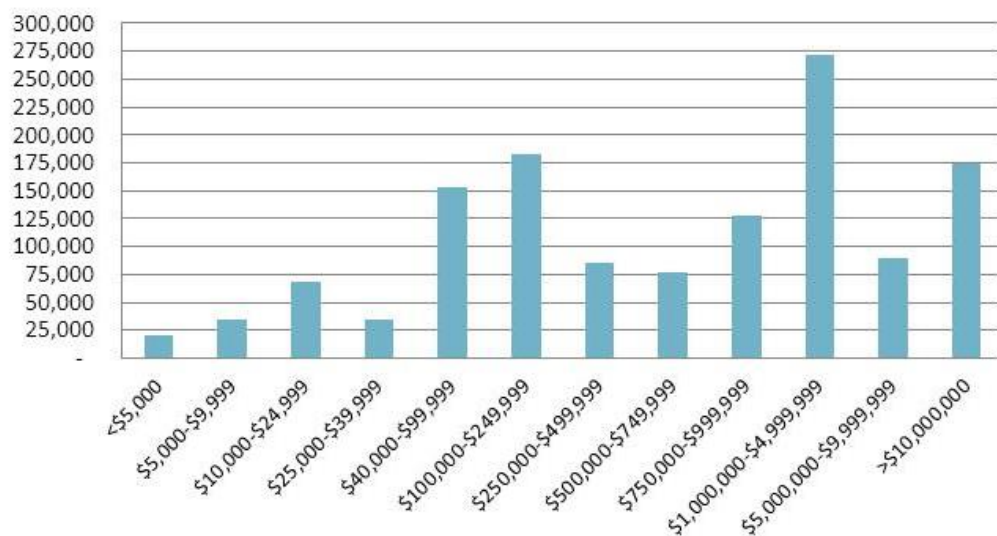


Figure 16: Total adjudicator fees by claimed amounts (completed applications)

Apportionment of adjudicator fees between claimants and respondents

Range of claimed amounts (\$)	Number	Total adjudicator fee	Total payable by claimant	Total payable by respondent	Average payable by claimant	Average payable by respondent
<5,000	64	20,421	1,600	18,821	28	330
5,000-9,999	43	33,885	4,188	29,698	102	724
10,000-24,999	60	68,795	11,195	57,600	211	1,087
25,000-39,999	26	33,921	5,390	28,531	207	1,097
40,000-99,999	49	152,456	28,589	123,867	596	2,581
100,000-249,999	33	182,165	58,415	123,750	1,770	3,750
250,000-499,999	11	85,300	20,003	65,297	1,818	5,936
500,000-749,999	9	77,025	20,845	56,180	2,606	7,023
750,000-999,999	4	128,257	37,124	91,133	9,281	22,783
1,000,000-4,999,999	12	271,290	112,249	159,041	9,354	13,253
5,000,000-9,999,999	1	90,250	9,025	81,225	9,025	81,225
>10,000,000	4	174,430	68,358	106,073	17,089	26,518
Total	316	1,318,195	376,980	941,215	-	-

Table 21: Adjudicator fees payable by claimant and respondent (completed applications)

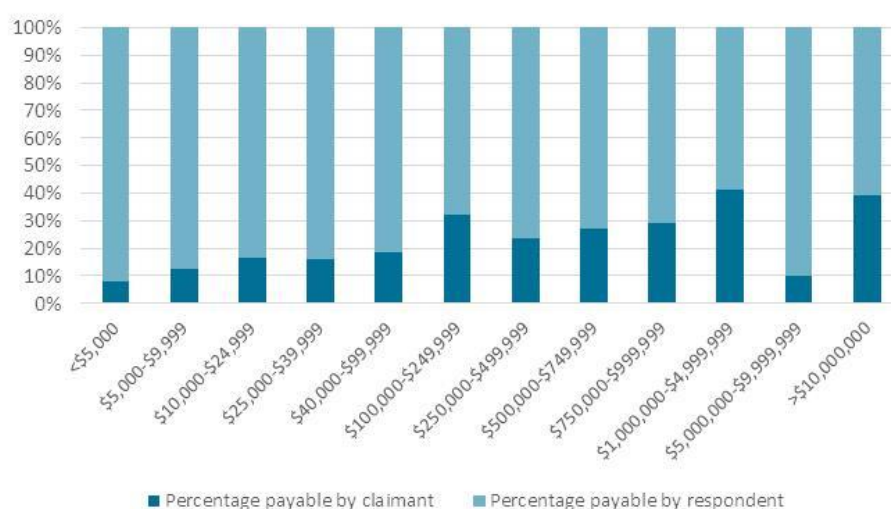


Figure 17: Proportion of adjudicator fees payable by claimant and respondent

Adjudication certificates

Adjudication certificates issued versus determinations

Adjudication certificates issued	Jul-Dec	Jan-Jun	FY
Applications determined	130	95	225
Adjudication certificates issued	51	36	87
Certificates issued versus determinations	39%	38%	39%

Table 22: Adjudication certificates issued

Adjudication certificates issued by adjudicated amount

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	9	12	21	24%
5,000-9,999	5	6	11	13%
10,000-24,999	15	6	21	24%
25,000-39,999	3	2	5	6%
40,000-99,999	10	7	17	20%
100,000-249,999	3	3	6	7%
250,000-499,999	2	-	2	2%
500,000-749,999	-	-	-	0%
750,000-999,999	-	-	-	0%
1,000,000-4,999,999	4	-	4	5%
5,000,000-9,999,999	-	-	-	0%
>10,000,000	-	-	-	0%
Total	51	36	87	100%

Table 23: Adjudication certificates by adjudicated amount

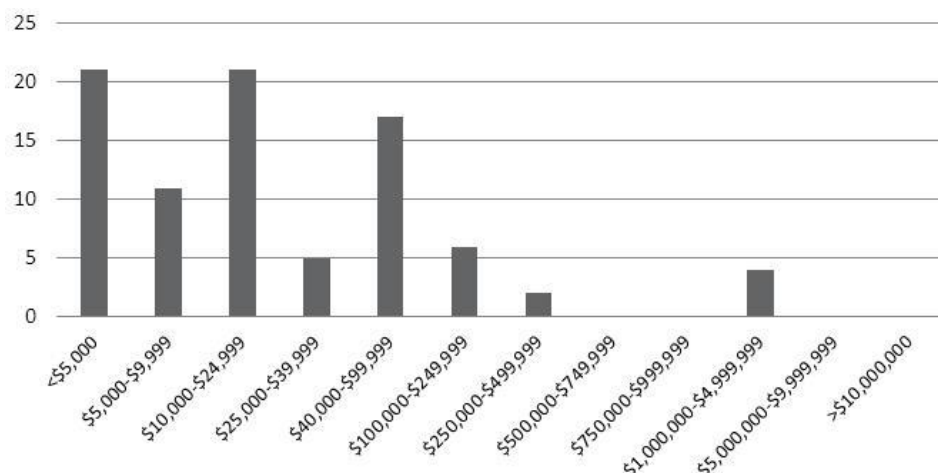


Figure 18: Number of adjudication certificates issued by adjudicated amount

List of Authorised Nominating Authorities

The organisations below were authorised as Authorised Nominating Authorities under section 42 of the SOP Act during the reporting period.

Able Adjudication Pty Ltd

Adjudicate Today Pty Limited

Australian Solutions Centre Pty Ltd

Building Adjudication Victoria Inc.

Institute of Arbitrators and Mediators Australia (for the period from 1 July 2014 to 31 December 2014)

LEADR (for the period from 1 July 2014 to 31 December 2014)

LEADR & IAMA (for the period from 1 January 2015)

Rialto Adjudications Pty Ltd

RICS Dispute Resolution Service
