

Building and Construction Industry

Security of Payment Act 2002

Adjudication Activity Statistics

2013-2014 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.

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

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 2013-2014 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	132	112	244	-
Applications determined	108	85	193	79%
Applications not determined	24	27	51	21%

Table 1: Application statistics

Reason application not determined

Reason not determined	Jul-Dec	Jan-Jun	FY	%
Settled by parties	9	7	16	31%
Withdrawn by claimant	5	5	10	20%
No jurisdiction	2	3	5	10%
Timed out	1	4	5	10%
Other	7	4	11	21%
Not yet determined	-	4	4	8%
Total	24	27	51	100%

Table 2: Reason application not determined

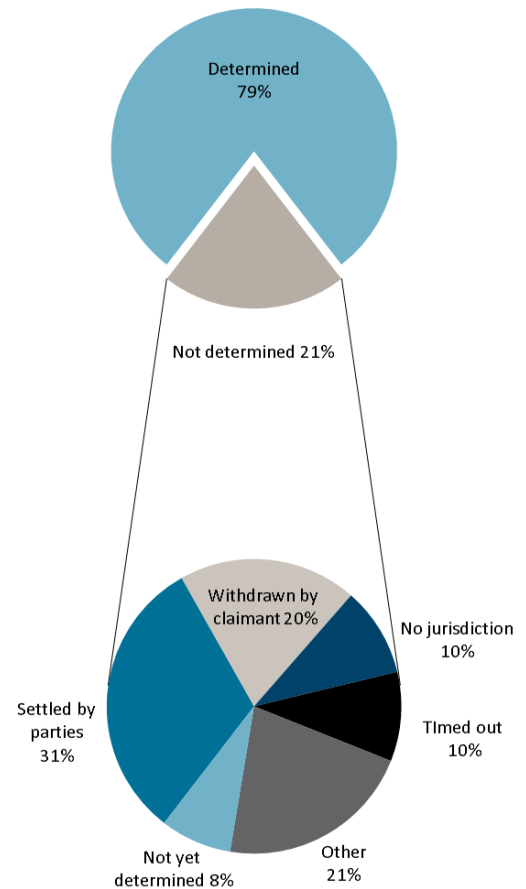


Figure 1: Applications determined vs not determined and reason application not determined

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)	67	69	136	56%
Section 18(1)(a)(ii)	1	3	4	2%
Section 18(1)(b)	64	40	104	42%
Total	132	112	244	100%

Table 3: Applications by section of the SOP Act

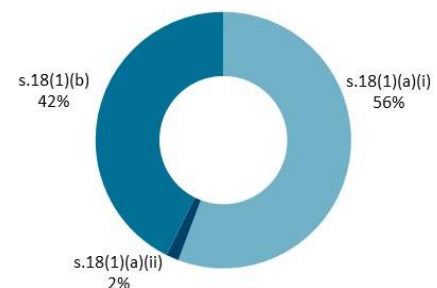


Figure 2: Section of SOP Act under which application made

Section 18(2) notices

	Jul-Dec	Jan-Jun	FY
Section 18(2) notice issued	63	39	102

Table 4: Section 18(2) notices

APPLICATIONS BY CLAIMANT AND RESPONDENT TYPE

Claimant statistics

Claimant type	Jul-Dec	Jan-Jun	FY	%
Consultant	1	3	4	2%
Developer	2	-	2	1%
Head contractor	10	16	26	11%
Major subcontractor	17	17	34	14%
Manufacturer of building materials or components	-	1	1	0%
Project manager	1	2	3	1%
Supplier	16	8	24	10%
Trade subcontractor	85	65	150	61%
Total	132	112	244	100%

Table 5: Claimant type

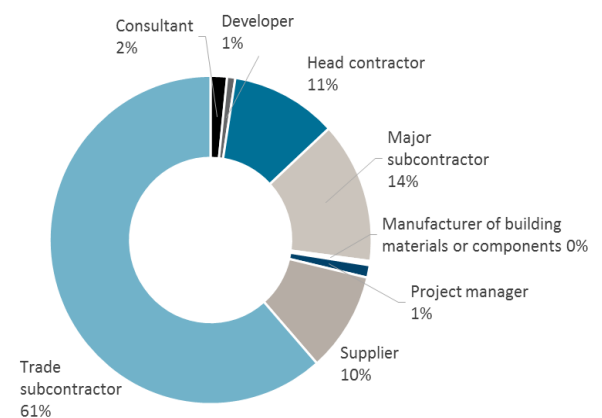


Figure 3: Claimant type

Respondent statistics

Respondent type	Jul-Dec	Jan-Jun	FY	%
Developer	22	31	53	22%
Head contractor	60	52	112	46%
Major subcontractor	15	11	26	11%
Manufacturer of building materials or components	4	-	4	1%
Project manager	1	-	1	0%
Trade subcontractor	30	18	48	20%
Total	132	112	244	100%

Table 6: Respondent type

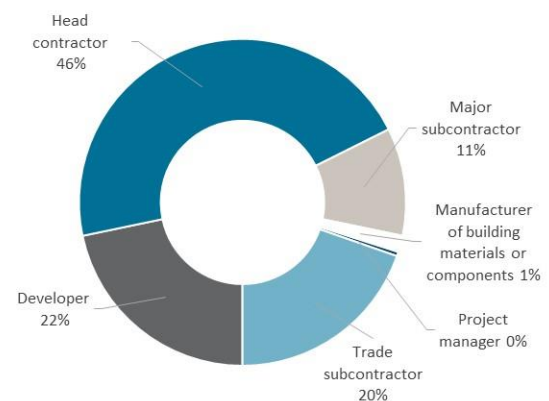


Figure 4: Respondent type

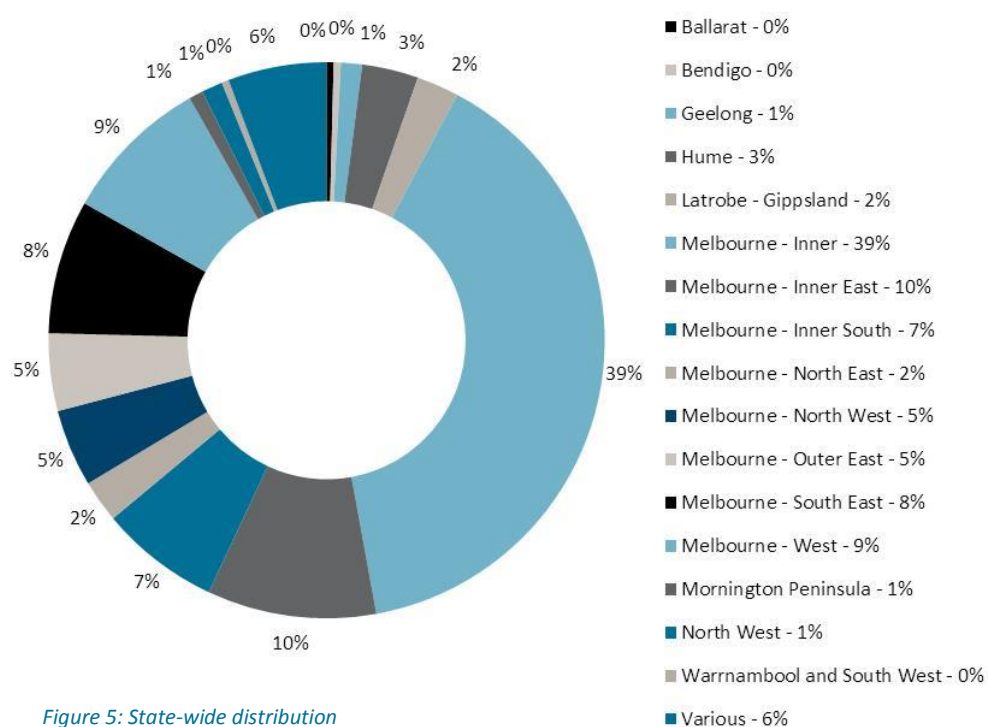
APPLICATIONS BY REGION

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	-	1	0%
Bendigo	1	-	1	0%
Geelong	1	2	3	1%
Hume	6	2	8	3%
Latrobe - Gippsland	2	4	6	2%
Melbourne - Inner	52	44	96	39%
Melbourne - Inner East	11	13	24	10%
Melbourne - Inner South	10	7	17	7%
Melbourne - North East	4	2	6	2%
Melbourne - North West	5	6	11	5%
Melbourne - Outer East	4	7	11	5%
Melbourne - South East	10	9	19	8%
Melbourne - West	14	7	21	9%
Mornington Peninsula	1	1	2	1%
North West	2	1	3	1%
Warrnambool and South West	1	-	1	0%
Various	7	7	14	6%
Total	132	112	244	100%

Table 7: State-wide distribution



Inner-Melbourne distribution

Inner-Melbourne	Jul-Dec	Jan-Jun	FY	%
Melbourne - Inner	52	44	96	70%
Brunswick - Coburg	3	2	5	4%
Darebin - South	1	1	2	2%
Essendon	1	2	3	2%
Melbourne City	23	27	50	37%
Port Phillip	8	2	10	7%
Stonnington - West	7	5	12	9%
Yarra	9	5	14	10%
Melbourne - Inner East	11	13	24	18%
Boroondara	11	10	21	15%
Whitehorse - West	-	3	3	2%
Melbourne - Inner South	10	7	17	12%
Bayside	3	4	7	5%
Glen Eira	5	1	6	4%
Kingston	1	2	3	2%
Stonnington - East	1	-	1	1%
Total	73	64	137	100%

Table 8: Inner-Melbourne distribution

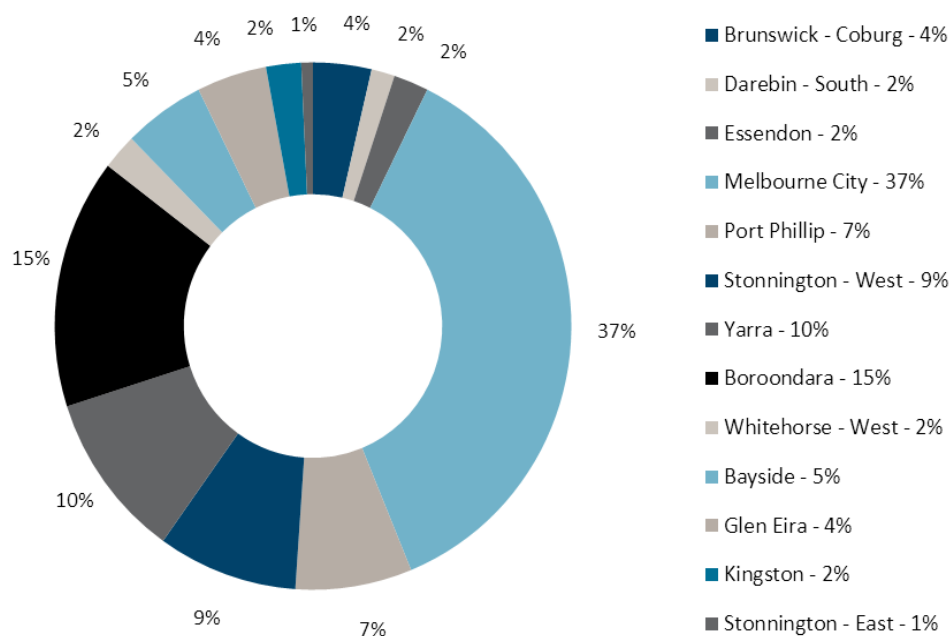


Figure 6: Inner-Melbourne distribution

Claimed amounts

Claimed amount statistics

Claimed amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of claimed amount	41,311,570.52	52,611,104.80	93,922,675.32
Maximum claimed amount	7,742,965.91	14,123,867.72	14,123,867.72
Minimum claimed amount	471.43	841.76	471.43
Average claimed amount	312,966.44	469,742.01	384,929.00

Table 9: Claimed amount statistics

Number of claims by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	16	6	22	9%
5,000-9,999	19	12	31	13%
10,000-24,999	25	18	43	18%
25,000-39,999	12	11	23	9%
40,000-99,999	19	26	45	19%
100,000-249,999	14	15	29	12%
250,000-499,999	9	3	12	5%
500,000-749,999	5	3	8	3%
750,000-999,999	2	6	8	3%
1,000,000-4,999,999	10	10	20	8%
5,000,000-9,999,999	1	1	2	1%
>10,000,000	-	1	1	0%
Total	132	112	244	100%

Table 10: Number of claims by claim range

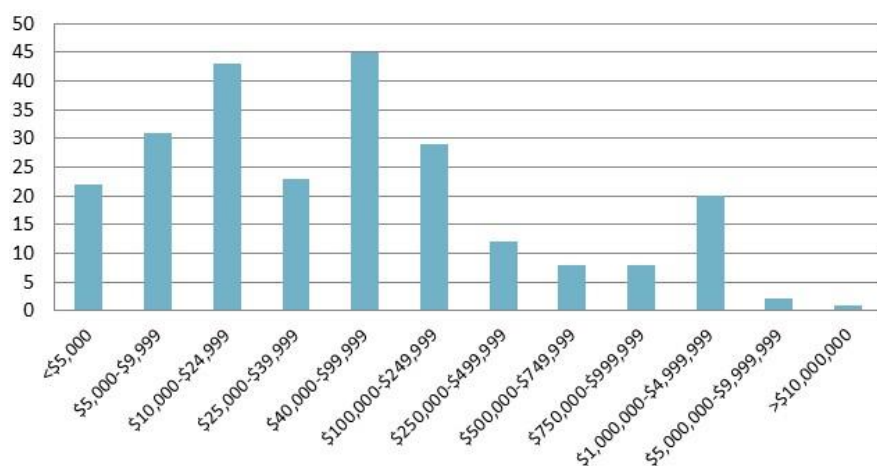


Figure 7: Number of claims by claim range

Claimed amount by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	52,717	12,514	65,231	0.1%
5,000-9,999	140,648	84,433	225,080	0.2%
10,000-24,999	404,409	307,739	712,148	0.8%
25,000-39,999	396,796	347,443	744,239	0.8%
40,000-99,999	1,122,167	1,800,031	2,922,198	3.1%
100,000-249,999	2,237,241	2,276,532	4,513,773	4.8%
250,000-499,999	3,128,916	1,102,652	4,231,568	4.5%
500,000-749,999	3,195,085	1,919,876	5,114,961	5.4%
750,000-999,999	1,546,919	4,875,813	6,422,733	6.8%
1,000,000-4,999,999	21,343,708	18,579,313	39,923,021	42.5%
5,000,000-9,999,999	7,742,966	7,180,891	14,923,857	15.9%
>10,000,000	-	14,123,868	14,123,868	15.0%
Total	41,311,571	52,611,105	93,922,675	100.0%

Table 11: Claimed amounts by claim range

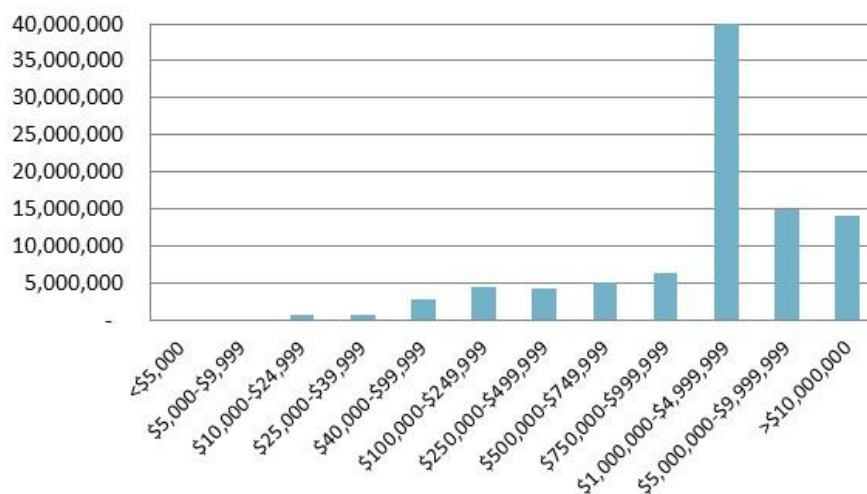


Figure 8: Total claimed amounts by claim range

Adjudicated amounts

Adjudicated amount statistics

Adjudicated amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of adjudicated amounts	15,132,695.15	14,966,099.86	30,098,795.01
Maximum adjudicated amount	2,400,419.00	3,562,726.70	3,562,726.70
Minimum adjudicated amount	0.00	0.00	0.00
Average adjudicated amount	141,427.06	184,766.66	160,099.97

Table 12: Adjudicated amount statistics

Number of adjudicated amounts by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	28	17	45	23%
5,000-9,999	19	6	25	13%
10,000-24,999	21	12	33	17%
25,000-39,999	6	9	15	8%
40,000-99,999	8	18	26	13%
100,000-249,999	6	9	15	8%
250,000-499,999	14	6	20	10%
500,000-749,999	2	1	3	2%
750,000-999,999	-	4	4	2%
1,000,000-4,999,999	4	3	7	4%
Total	108	85	193	100%

Table 13: Number of adjudicated amounts by adjudicated amount range

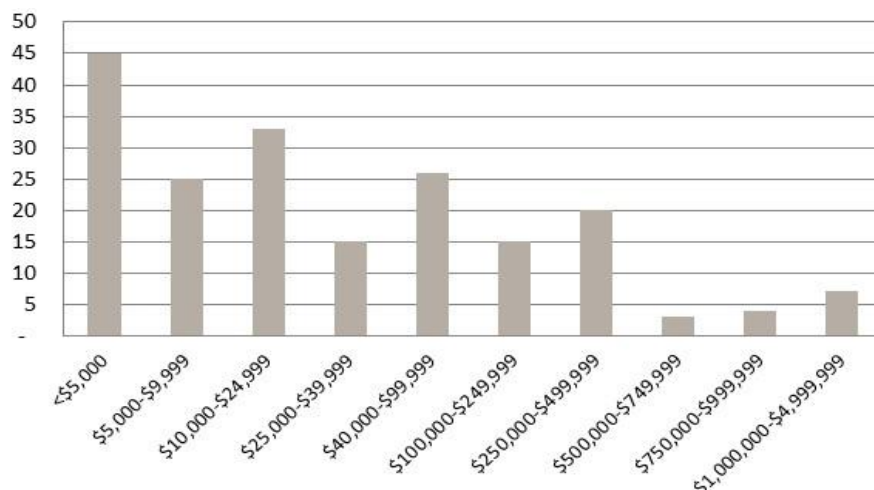


Figure 9: Number of adjudicated amounts by adjudicated amount range

Adjudicated amount by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	41,472	15,094	56,566	0.2%
5,000-9,999	135,034	40,619	175,653	1%
10,000-24,999	358,106	204,336	562,442	2%
25,000-39,999	202,507	284,702	487,209	2%
40,000-99,999	507,200	1,156,426	1,663,626	6%
100,000-249,999	989,393	1,155,917	2,145,310	7%
250,000-499,999	4,908,912	1,958,401	6,867,313	23%
500,000-749,999	1,066,142	646,120	1,712,263	6%
750,000-999,999	-	3,372,962	3,372,962	11%
1,000,000-4,999,999	6,923,930	6,131,523	13,055,453	43%
Total	15,132,695	14,966,100	30,098,795	100%

Table 14: Adjudicated amounts by adjudicated amount range

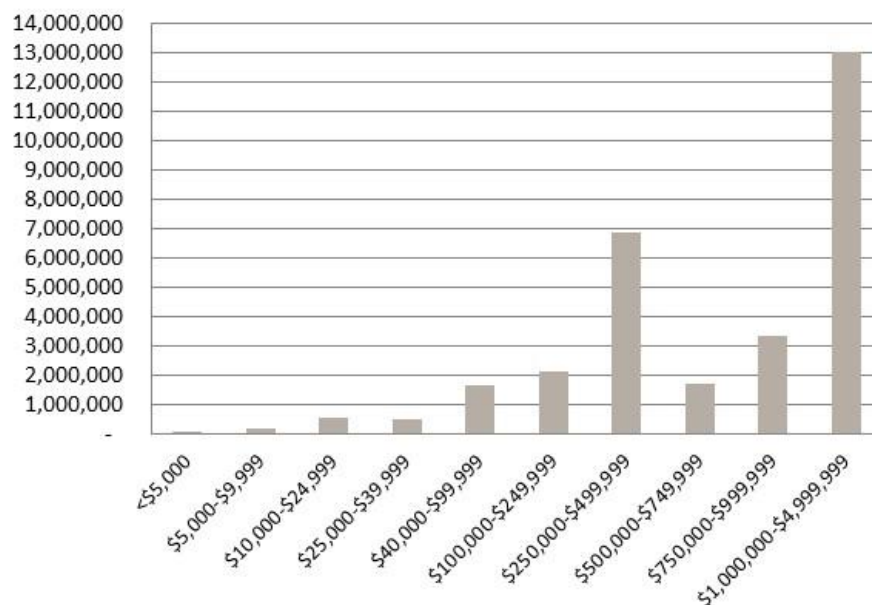


Figure 10: Total adjudicated amounts by adjudicated amount range

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	16	28	6	17	22	45
5,000-9,999	19	19	12	6	31	25
10,000-24,999	25	21	18	12	43	33
25,000-39,999	12	6	11	9	23	15
40,000-99,999	19	8	26	18	45	26
100,000-249,999	14	6	15	9	29	15
250,000-499,999	9	14	3	6	12	20
500,000-749,999	5	2	3	1	8	3
750,000-999,999	2	-	6	4	8	4
1,000,000-4,999,999	10	4	10	3	20	7
5,000,000-9,999,999	1	-	1	-	2	-
>10,000,000	-	-	1	-	1	-
Total	132	108	112	85	244	193

Table 15: Claimed amounts vs adjudicated amounts: numbers

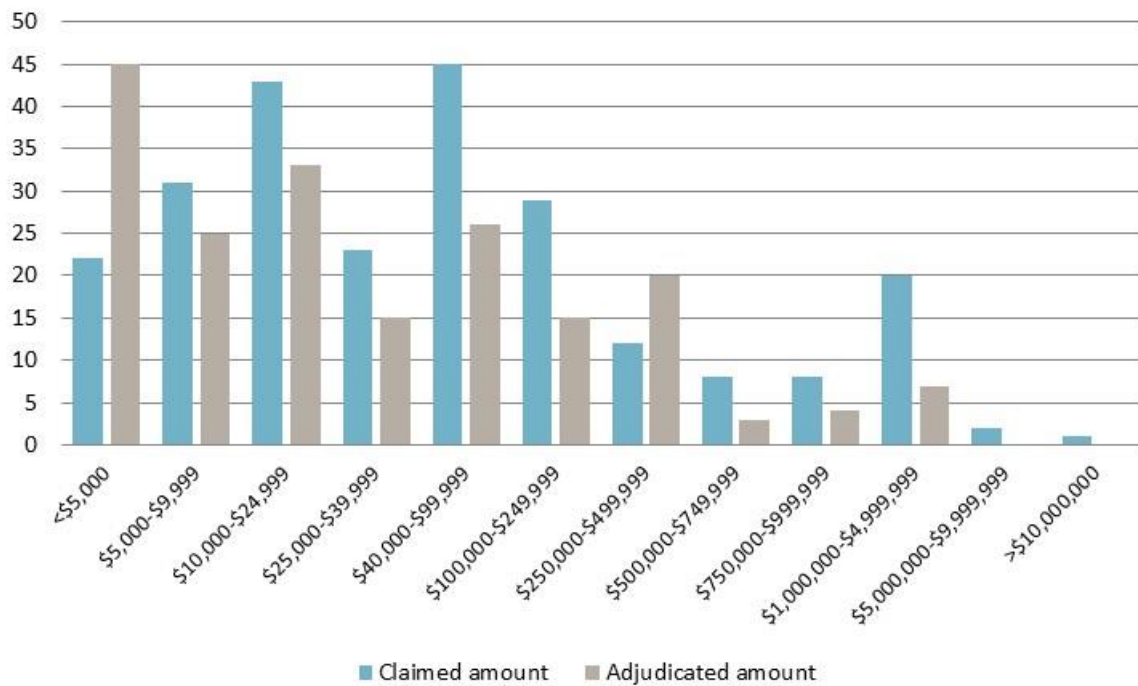


Figure 11: Claimed amounts versus adjudicated amounts: numbers

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	52,717	41,472	12,514	15,094	65,231	56,566
5,000-9,999	140,648	135,034	84,433	40,619	225,080	175,653
10,000-24,999	404,409	358,106	307,739	204,336	712,148	562,442
25,000-39,999	396,796	202,507	347,443	284,702	744,239	487,209
40,000-99,999	1,122,167	507,200	1,800,031	1,156,426	2,922,198	1,663,626
100,000-249,999	2,237,241	989,393	2,276,532	1,155,917	4,513,773	2,145,310
250,000-499,999	3,128,916	4,908,912	1,102,652	1,958,401	4,231,568	6,867,313
500,000-749,999	3,195,085	1,066,142	1,919,876	646,120	5,114,961	1,712,263
750,000-999,999	1,546,919	-	4,875,813	3,372,962	6,422,733	3,372,962
1,000,000-4,999,999	21,343,708	6,923,930	18,579,313	6,131,523	39,923,021	13,055,453
5,000,000-9,999,999	7,742,966	-	7,180,891	-	14,923,857	-
>10,000,000	-	-	14,123,868	-	14,123,868	-
Total	41,311,571	15,132,695	52,611,105	14,966,100	93,922,675	30,098,795

Table 16: Claimed amounts vs adjudicated amounts: amounts

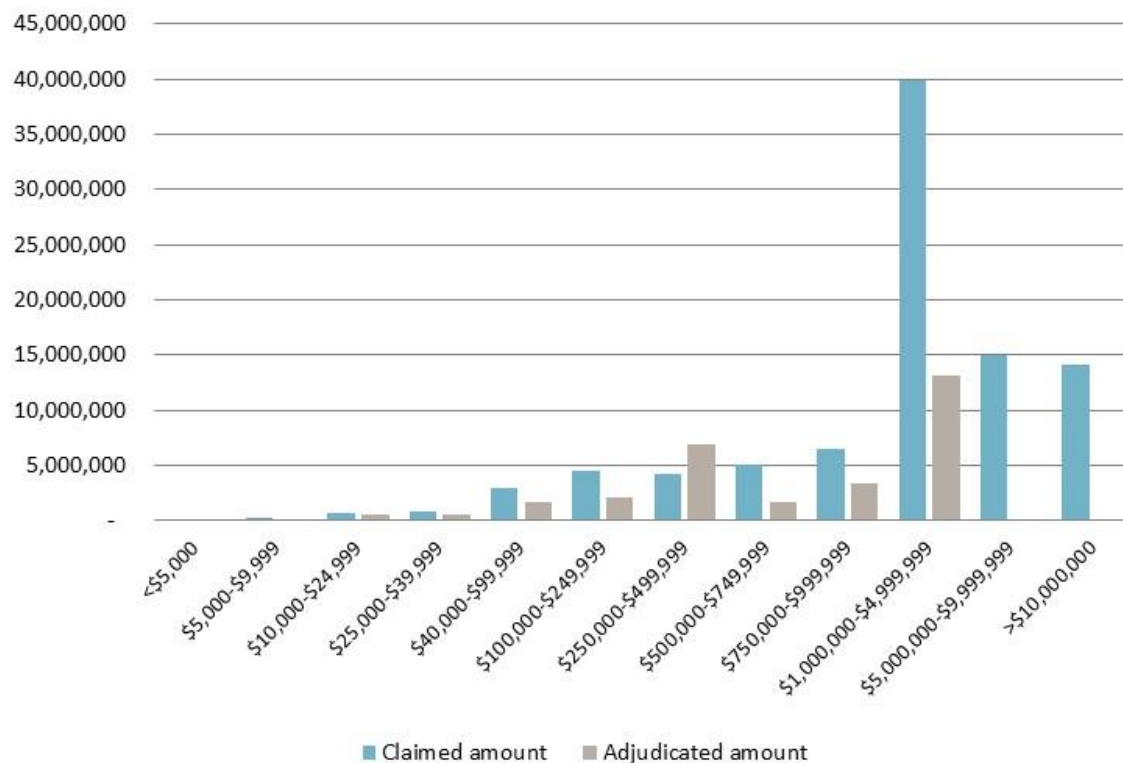


Figure 12: Claimed amounts versus adjudicated amounts: amounts

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	22	19	16	84%	2,906	2,663
5,000-9,999	31	23	15	65%	7,173	5,441
10,000-24,999	43	36	22	61%	16,148	13,435
25,000-39,999	23	16	7	44%	33,041	24,013
40,000-99,999	45	37	9	24%	65,327	42,450
100,000-249,999	29	20	2	10%	152,792	87,552
250,000-499,999	12	12	4	33%	352,631	245,351
500,000-749,999	8	8	-	-	639,370	391,895
750,000-999,999	8	7	2	29%	809,177	500,105
1,000,000-4,999,999	20	13	1	8%	2,067,800	902,320
5,000,000-9,999,999	2	1	-	-	7,180,891	860,514
>10,000,000	1	1	-	-	14,123,868	3,562,727
Total	244	193	78	-	-	-

Table 17: Adjudicated amount as a percentage of claimed amount

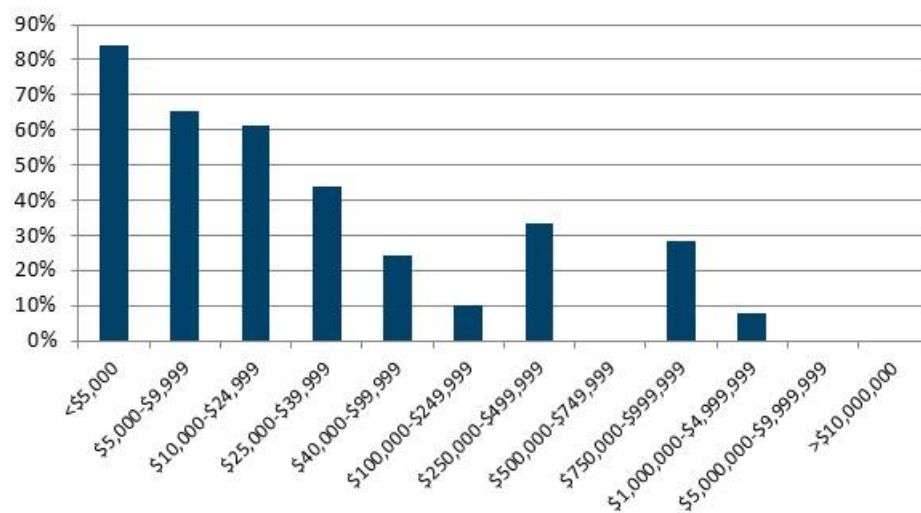


Figure 13: Adjudicated amount as a percentage of claimed amount

Adjudication fees

Total adjudication fees (excluding adjudication certificate fees)

Adjudication Fees	Jul-Dec	Jan-Jun	FY	%
Application fees	440.00	340.00	780.00	0.07%
Adjudicator fees	593,662.03	541,996.19	1,135,658.22	99.93%
Adjudicator share	481,019.41	428,912.54	909,931.95	80%
ANA share	112,642.62	113,083.66	225,726.27	20%
Total	594,102.03	542,336.19	1,136,438.22	100.00%

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

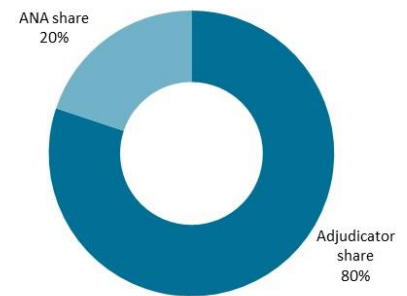


Figure 14: Distribution of Adjudicator fees between Adjudicator and ANA

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	19	2,906	626	0	626	21.5%	0%	100%
\$5,000-\$9,999	23	7,173	977	213	764	13.6%	22%	78%
\$10,000-\$24,999	36	16,148	1,323	272	1,052	8.2%	21%	79%
\$25,000-\$39,999	16	33,041	2,858	367	2,491	8.6%	13%	87%
\$40,000-\$99,999	37	65,327	3,823	947	2,877	5.9%	25%	75%
\$100,000-\$249,999	20	152,792	6,594	2,089	4,504	4.3%	32%	68%
\$250,000-\$499,999	12	352,631	9,408	2,054	7,354	2.7%	22%	78%
\$500,000-\$749,999	8	639,370	14,915	2,975	11,940	2.3%	20%	80%
\$750,000-\$999,999	7	809,177	10,323	4,580	5,743	1.3%	44%	56%
\$1,000,000-\$4,999,999	13	2,067,800	19,597	6,265	13,333	0.9%	32%	68%
\$5,000,000-\$9,999,999	1	7,180,891	15,540	7,770	7,770	0.2%	50%	50%
>\$10,000,000	1	14,123,868	101,500	50,750	50,750	0.7%	50%	50%
Total	193	-	-	-	-	-	-	-

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

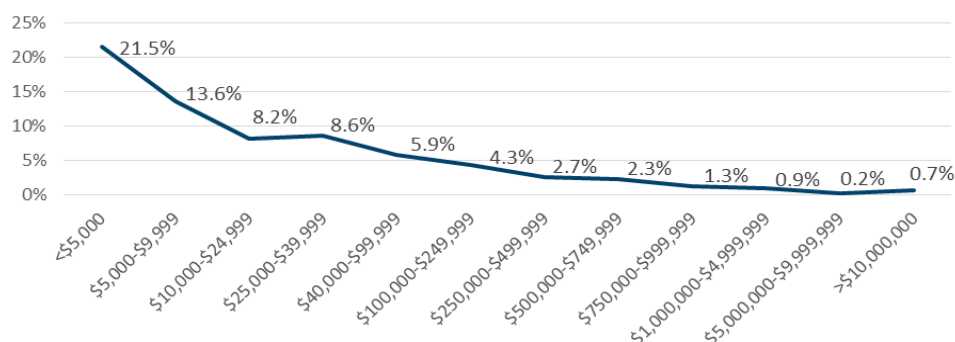


Figure 15: Average adjudicator fee as a percentage of the average claimed amount

Adjudicator fees

Adjudicator fees

Range of claimed amounts (\$)	Number	Total	Average	Minimum	Maximum
<5,000	22	11,887	540	0	1,320
5,000-9,999	31	22,480	749	0	2,500
10,000-24,999	42	49,490	1,207	0	2,970
25,000-39,999	23	45,728	2,079	0	11,818
40,000-99,999	44	143,668	3,341	0	8,750
100,000-249,999	28	133,274	4,936	0	16,918
250,000-499,999	12	112,898	9,408	1,980	26,400
500,000-749,999	8	119,320	14,915	4,800	28,000
750,000-999,999	7	72,264	10,323	1,295	29,424
1,000,000-4,999,999	20	307,608	15,380	0	49,700
5,000,000-9,999,999	2	15,540	7,770	0	15,540
>10,000,000	1	101,500	101,500	101,500	101,500
Total	240	1,135,658	-	-	-

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

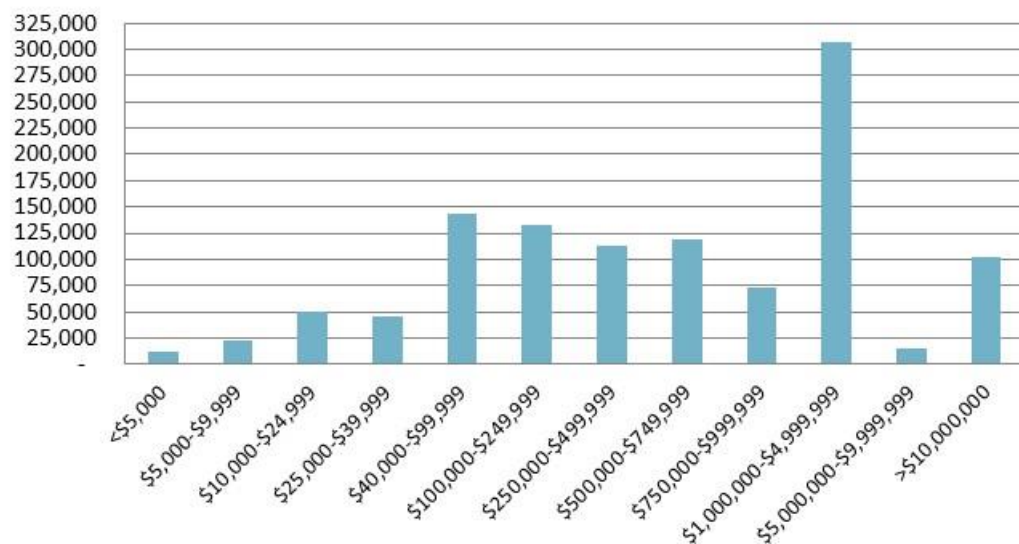


Figure 16: Total adjudicator fees by claimed amounts (completed applications)

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	22	11,887	0	11,887	0	540
5,000-9,999	31	22,480	4,910	17,570	164	586
10,000-24,999	42	49,490	11,630	37,860	284	923
25,000-39,999	23	45,728	5,880	39,849	267	1,811
40,000-99,999	44	143,668	36,135	107,534	840	2,501
100,000-249,999	28	133,274	43,186	90,088	1,599	3,337
250,000-499,999	12	112,898	24,648	88,250	2,054	7,354
500,000-749,999	8	119,320	23,801	95,519	2,975	11,940
750,000-999,999	7	72,264	32,062	40,202	4,580	5,743
1,000,000-4,999,999	20	307,608	104,796	202,812	5,240	10,141
5,000,000-9,999,999	2	15,540	7,770	7,770	7,770	7,770
>10,000,000	1	101,500	50,750	50,750	50,750	50,750
Total	240	1,135,658	345,567	790,092	-	-

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

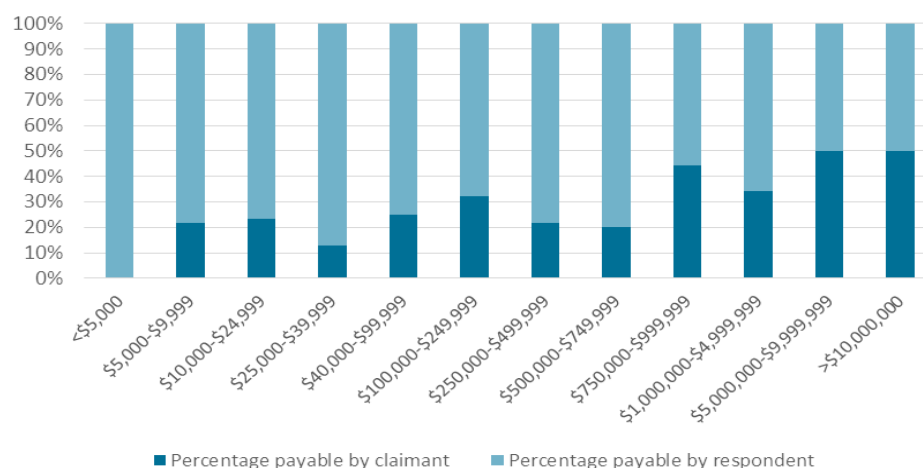


Figure 17: Proportion of adjudicator fees payable by claimant and respondent

Adjudication certificates

Adjudication certificates issued versus determinations

Adjudication certificates issued	Jul-Dec	Jan-Jun	FY
Applications determined	108	85	193
Adjudication certificates issued	31	35	66
Certificates issued versus determinations	29%	41%	34%

Table 22: Adjudication certificates issued

Adjudication certificates issued by adjudicated amount

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	7	3	10	15%
5,000-9,999	7	1	8	12%
10,000-24,999	8	6	14	21%
25,000-39,999	2	6	8	12%
40,000-99,999	4	9	13	20%
100,000-249,999	1	6	7	11%
250,000-499,999	1	-	1	2%
500,000-749,999	-	1	1	2%
750,000-999,999	-	2	2	3%
1,000,000-4,999,999	1	1	2	3%
5,000,000-9,999,999	-	-	0	0%
>10,000,000	-	-	0	0%
Total	31	35	66	100%

Table 23: Adjudication certificates by adjudicated amount

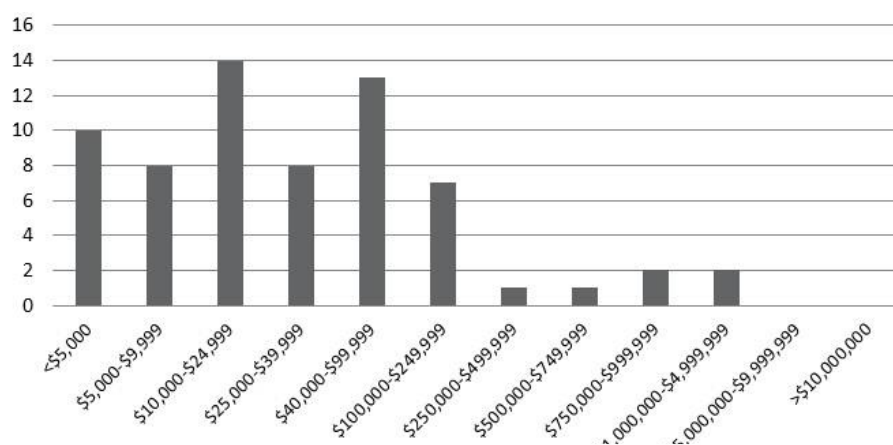


Figure 18: Number of adjudication certificates issued by adjudicated amount

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

LEADR

Rialto Adjudications Pty Ltd

RICS Dispute Resolution Service
