

Building and Construction Industry

Security of Payment Act 2002

Adjudication Activity Statistics

2016-2017 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 360 applications managed in this reporting period, including two (2) review applications. This report provides statistical reporting on the 358 standard applications managed during the reporting period.

Review applications – The 2015-2016 report includes separate statistical reporting on the two (2) review applications managed 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%.

GST – All amounts are GST exclusive.

Variance – Variances in the data reported in the VBA Annual Report 2016-2017 and this report are the result of data notified and updated after the publication of the VBA Annual Report 2016-2017.

Building and Construction Industry Security of Payment Act 2002

The *Building and Construction Industry Security of Payment Act 2002* (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 2016-2017 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 managed, determined, not determined

Applications	Jul-Dec	Jan-Jun	FY	%
Applications managed	183	175	358	-
Applications determined	127	103	230	64%
Applications not determined	56	72	128	36%

Table 1: Application statistics

Reason application not determined

Reason not determined	Jul-Dec	Jan-Jun	FY	%
Settled by parties	25	21	46	36%
Withdrawn by claimant	23	26	49	38%
No jurisdiction	5	2	7	5%
Timed out	3	2	5	4%
Other	-	1	1	1%
Not yet determined	-	20	20	16%
Total	56	72	128	100%

Table 2: Reason application not determined

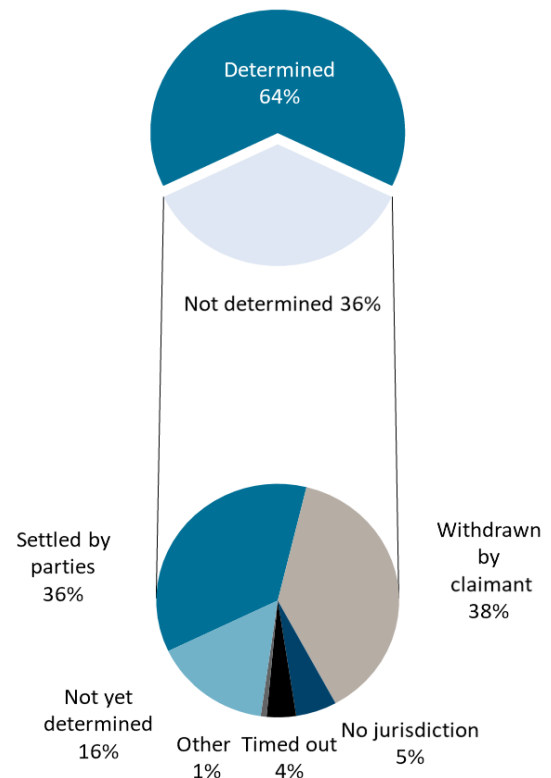


Figure 1: Applications determined vs not determined and reason application not determined

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)	97	98	195	54%
Section 18(1)(a)(ii)	2	6	8	2%
Section 18(1)(b)	84	71	155	43%
Total	183	175	358	100%

Table 3: Applications by section of the SOP Act

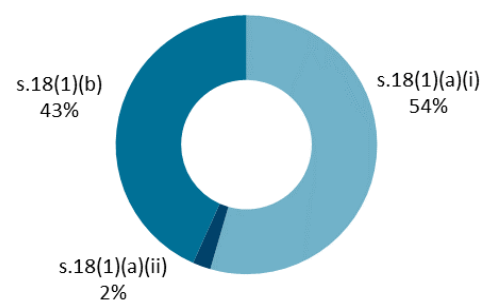


Figure 2: Section of SOP Act under which application made

Section 18(2) notices

	Jul-Dec	Jan-Jun	FY
Section 18(2) notice issued	82	70	152

Table 4: Section 18(2) notices

APPLICATIONS BY CLAIMANT AND RESPONDENT TYPE

Claimant statistics

Claimant type	Jul-Dec	Jan-Jun	FY	%
Consultant	4	7	11	3%
Developer	3	-	3	1%
Head contractor	23	22	45	13%
Major subcontractor	24	35	59	16%
Manufacturer of building materials or components	6	3	9	3%
Project manager	1	-	1	0%
Supplier	5	2	7	2%
Trade subcontractor	117	106	223	62%
Total	183	175	358	100%

Table 5: Claimant type

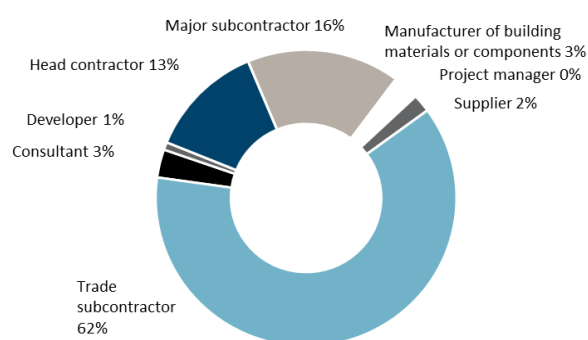


Figure 3: Claimant type

Respondent statistics

Respondent type	Jul-Dec	Jan-Jun	FY	%
Consultant	2	-	2	1%
Developer	51	34	85	24%
Head contractor	97	107	204	57%
Major subcontractor	23	33	56	15%
Project manager	1	1	2	1%
Supplier	1	-	1	0%
Trade subcontractor	8	-	8	2%
Total	183	175	358	100%

Table 6: Respondent type

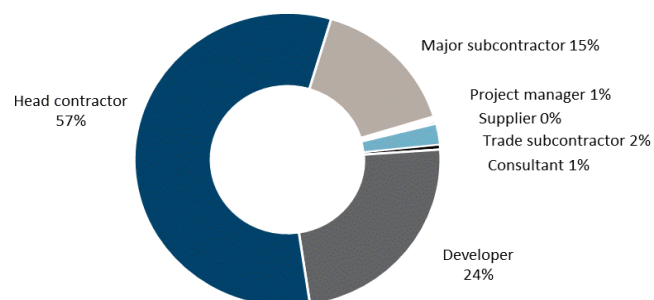


Figure 4: Respondent type

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	3	-	3	1%
Bendigo	6	1	7	2%
Geelong	4	6	10	3%
Hume	1	-	1	0%
Latrobe - Gippsland	3	1	4	1%
Melbourne - Inner	37	49	86	24%
Melbourne - Inner East	21	21	42	12%
Melbourne - Inner South	20	11	31	9%
Melbourne - North East	7	18	25	7%
Melbourne - North West	8	11	19	5%
Melbourne - Outer East	13	12	25	7%
Melbourne - South East	16	17	33	9%
Melbourne - West	25	16	41	11%
Mornington Peninsula	5	2	7	2%
North West	1	5	6	2%
Warrnambool and South West	1	1	2	1%
Various	12	4	16	4%
Total	183	175	358	100%

Table 7: State-wide distribution

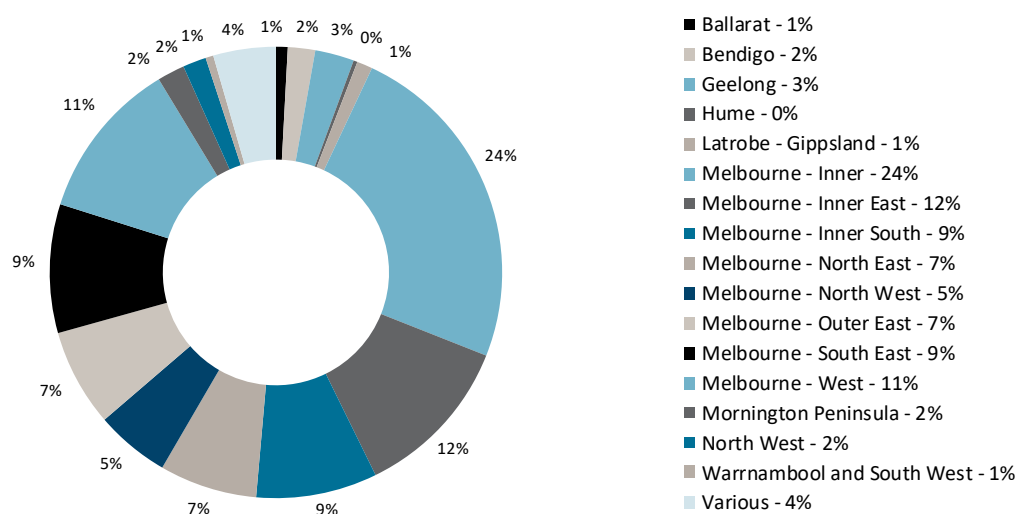


Figure 5: State-wide distribution

Inner-Melbourne distribution

Inner-Melbourne	Jul-Dec	Jan-Jun	FY	%
Melbourne - Inner	37	49	86	54%
Brunswick - Coburg	4	9	13	8%
Darebin - South	2	2	4	2%
Essendon	1	1	2	1%
Melbourne City	14	20	34	21%
Port Phillip	3	6	9	6%
Stonnington - West	6	6	12	8%
Yarra	7	5	12	8%
Melbourne - Inner East	21	21	42	26%
Boroondara	11	5	16	10%
Manningham - West	6	7	13	8%
Whitehorse - West	4	9	13	8%
Melbourne - Inner South	20	11	31	20%
Bayside	10	1	11	7%
Glen Eira	5	7	12	8%
Kingston	2	3	5	3%
Stonnington - East	3	-	3	2%
Total	78	81	159	100%

Table 8: Inner-Melbourne distribution

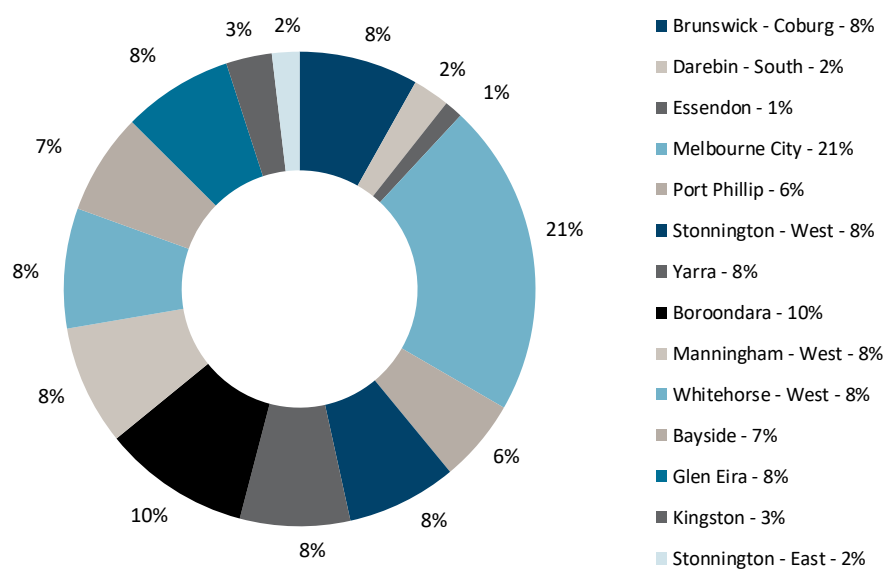


Figure 6: Inner-Melbourne distribution

Claimed amounts

Claimed amount statistics

Claimed amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of claimed amount	29,686,015.24	35,246,521.14	64,932,536.38
Maximum claimed amount	3,268,510.95	4,182,427.12	4,182,427.12
Minimum claimed amount	257.27	917.61	257.27
Average claimed amount	162,218.66	201,408.69	181,375.80

Table 9: Claimed amount statistics

Number of claims by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	27	16	43	12%
5,000-9,999	22	16	38	10%
10,000-24,999	35	35	70	20%
25,000-39,999	17	14	31	8%
40,000-99,999	27	43	70	20%
100,000-249,999	26	19	45	13%
250,000-499,999	17	15	32	9%
500,000-749,999	5	6	11	3%
750,000-999,999	2	5	7	2%
1,000,000-4,999,999	5	6	11	3%
Total	183	175	358	100%

Table 10: Number of claims by claim range

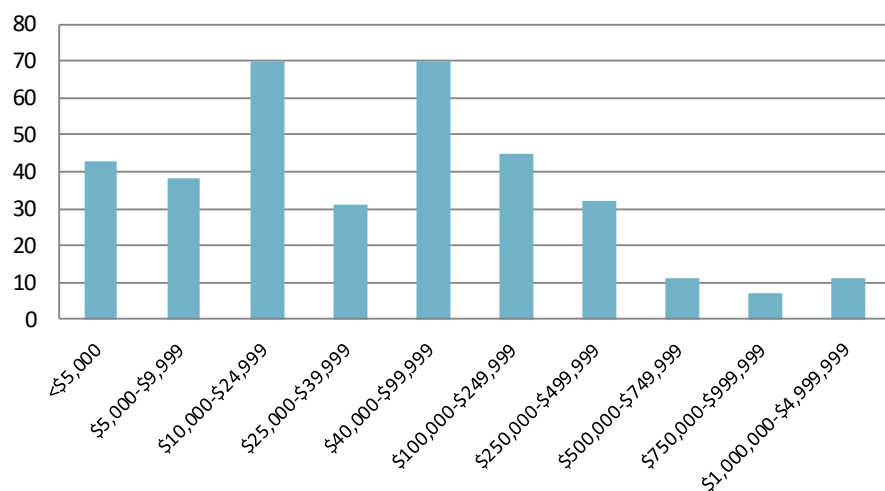


Figure 7: Number of claims by claim range

Claimed amount by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	61,938	49,463	111,401	0%
5,000-9,999	162,657	116,533	279,191	0%
10,000-24,999	575,775	562,154	1,137,929	2%
25,000-39,999	540,360	450,102	990,461	1%
40,000-99,999	1,753,238	2,698,054	4,451,292	7%
100,000-249,999	4,124,637	2,789,509	6,914,146	11%
250,000-499,999	6,002,552	5,530,658	11,533,210	18%
500,000-749,999	2,860,999	3,998,744	6,859,744	11%
750,000-999,999	1,848,172	4,315,602	6,163,774	9%
1,000,000-4,999,999	11,755,687	14,735,701	26,491,389	41%
Total	29,686,015	35,246,521	64,932,536	100%

Table 11: Claimed amounts by claim range

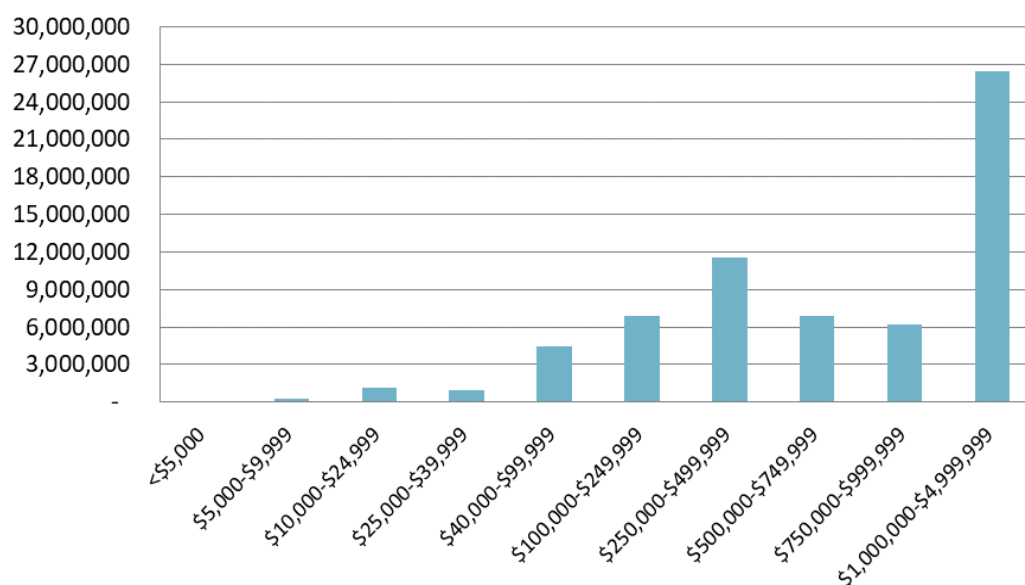


Figure 8: Total claimed amounts by claim range

Adjudicated amounts

Adjudicated amount statistics

Adjudicated amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of adjudicated amounts	10,447,456.65	10,268,855.11	20,716,311.76
Maximum adjudicated amount	1,317,123.12	1,173,612.93	1,317,123.12
Minimum adjudicated amount	0.00	0.00	0.00
Average adjudicated amount	82,916.32	100,675.05	90,861.02

Table 12: Adjudicated amount statistics

Number of adjudicated amounts by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	45	28	73	32%
5,000-9,999	12	8	20	9%
10,000-24,999	20	17	37	16%
25,000-39,999	10	6	16	7%
40,000-99,999	17	25	42	18%
100,000-249,999	12	8	20	9%
250,000-499,999	5	5	10	4%
500,000-749,999	4	3	7	3%
750,000-999,999	-	1	1	0%
1,000,000-4,999,999	2	2	4	2%
Total	127	103	230	100%

Table 13: Number of adjudicated amounts by adjudicated amount range

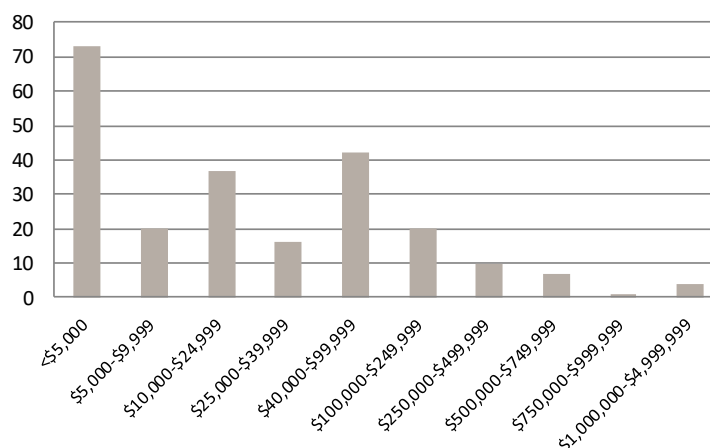


Figure 9: Number of adjudicated amounts by adjudicated amount range

Adjudicated amount by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	48,871	17,858	66,729	0%
5,000-9,999	98,443	57,690	156,133	1%
10,000-24,999	318,183	263,042	581,225	3%
25,000-39,999	312,570	173,987	486,557	2%
40,000-99,999	1,116,848	1,705,493	2,822,341	14%
100,000-249,999	2,133,346	1,279,599	3,412,945	17%
250,000-499,999	1,858,359	1,724,793	3,583,152	17%
500,000-749,999	2,224,870	1,982,087	4,206,957	20%
750,000-999,999	-	808,701	808,701	4%
1,000,000-4,999,999	2,335,967	2,255,606	4,591,573	22%
Total	10,447,457	10,268,855	20,716,312	100%

Table 14: Adjudicated amounts by adjudicated amount range

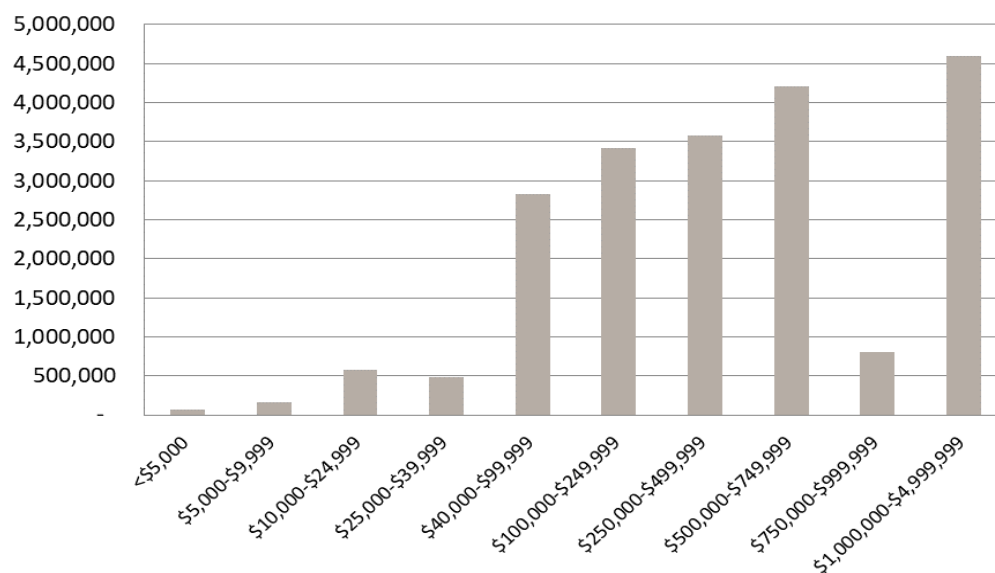


Figure 10: Total adjudicated amounts by adjudicated amount range

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	27	45	16	28	43	73
5,000-9,999	22	12	16	8	38	20
10,000-24,999	35	20	35	17	70	37
25,000-39,999	17	10	14	6	31	16
40,000-99,999	27	17	43	25	70	42
100,000-249,999	26	12	19	8	45	20
250,000-499,999	17	5	15	5	32	10
500,000-749,999	5	4	6	3	11	7
750,000-999,999	2	-	5	1	7	1
1,000,000-4,999,999	5	2	6	2	11	4
Total	183	127	175	103	358	230

Table 15: Claimed amounts vs adjudicated amounts: numbers

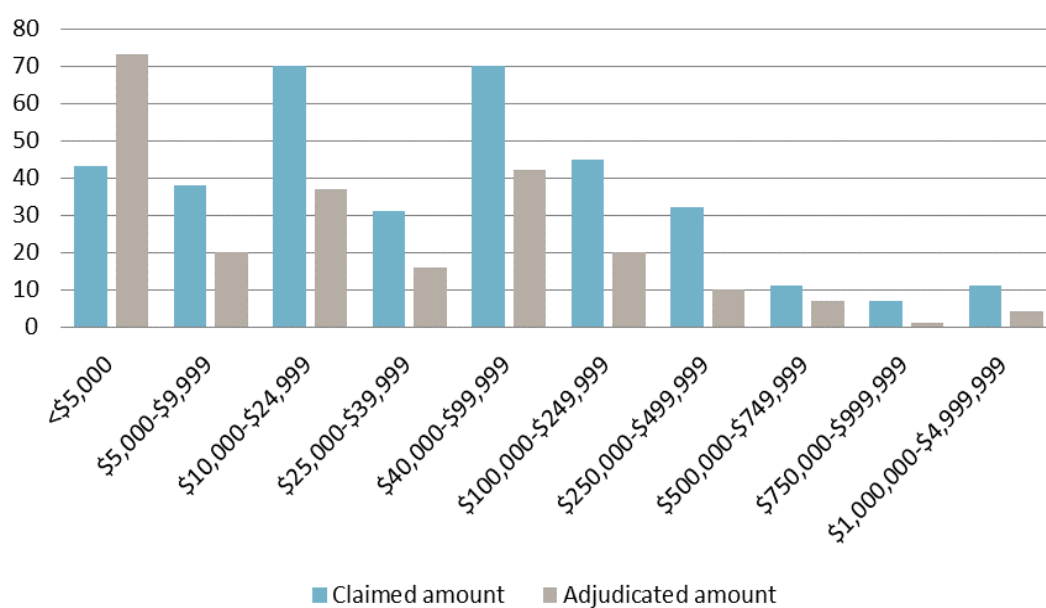


Figure 11: Claimed amounts versus adjudicated amounts: numbers

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	61,938	48,871	49,463	17,858	111,401	66,729
5,000-9,999	162,657	98,443	116,533	57,690	279,191	156,133
10,000-24,999	575,775	318,183	562,154	263,042	1,137,929	581,225
25,000-39,999	540,360	312,570	450,102	173,987	990,461	486,557
40,000-99,999	1,753,238	1,116,848	2,698,054	1,705,493	4,451,292	2,822,341
100,000-249,999	4,124,637	2,133,346	2,789,509	1,279,599	6,914,146	3,412,945
250,000-499,999	6,002,552	1,858,359	5,530,658	1,724,793	11,533,210	3,583,152
500,000-749,999	2,860,999	2,224,870	3,998,744	1,982,087	6,859,744	4,206,957
750,000-999,999	1,848,172	-	4,315,602	808,701	6,163,774	808,701
1,000,000-4,999,999	11,755,687	2,335,967	14,735,701	2,255,606	26,491,389	4,591,573
Total	29,686,015	10,447,457	35,246,521	10,268,855	64,932,536	20,716,312

Table 16: Claimed amounts vs adjudicated amounts: amounts

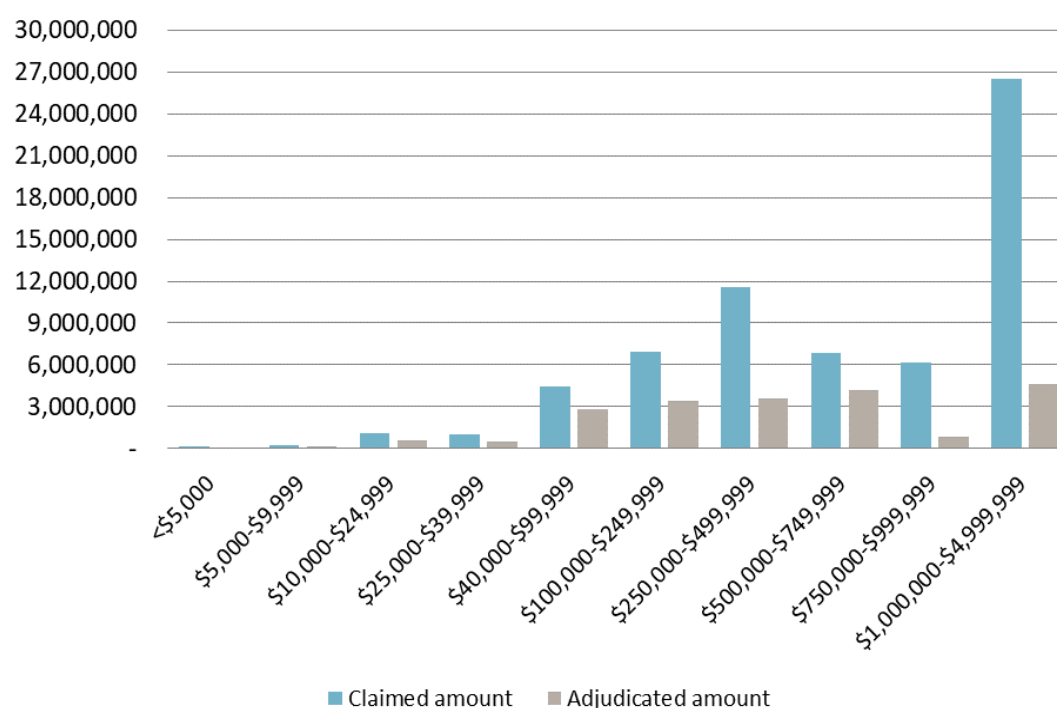


Figure 12: Claimed amounts versus adjudicated amounts: amounts

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	43	30	18	60%	2,713	1,918
5,000-9,999	38	27	14	52%	7,468	5,678
10,000-24,999	70	41	25	61%	15,745	11,948
25,000-39,999	31	14	7	50%	31,304	20,332
40,000-99,999	70	48	12	25%	63,813	43,930
100,000-249,999	45	30	9	30%	150,225	104,652
250,000-499,999	32	19	4	21%	355,166	186,261
500,000-749,999	11	8	2	25%	602,152	508,737
750,000-999,999	7	5	-	0%	862,059	408,747
1,000,000-4,999,999	11	8	-	0%	2,124,463	617,563
Total	358	230	91	-	-	-

Table 17: Adjudicated amount as a percentage of claimed amount

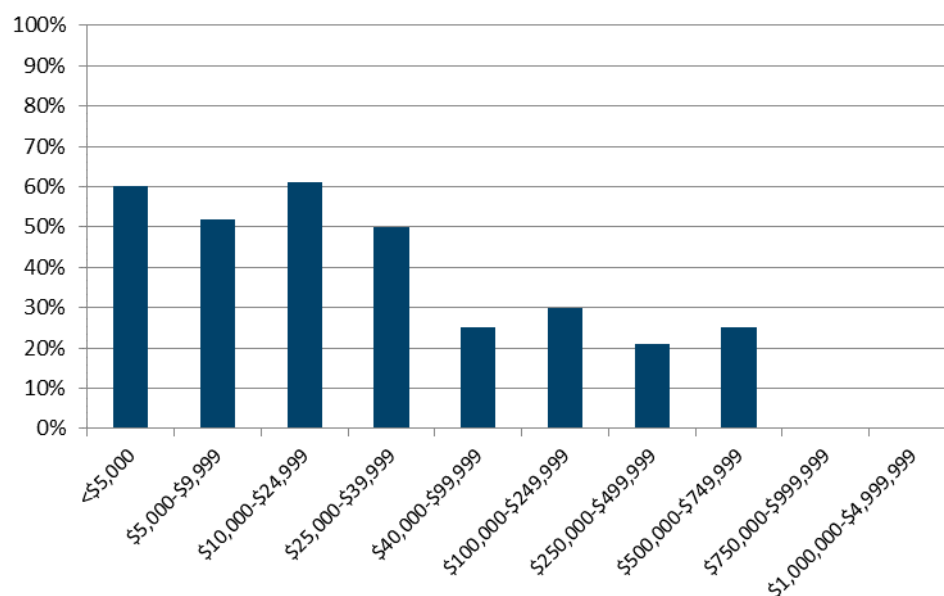


Figure 13: Adjudicated amount as a percentage of claimed amount

Adjudication fees

Total adjudication fees (excluding administration and adjudication certificate fees)

Adjudication Fees	Jul-Dec	Jan-Jun	FY	%
Application fees	380	-	380	0.03%
Adjudicator fees	788,999	593,074	1,382,073	99.97%
Adjudicator share	634,807	465,165	1,099,972	80%
ANA share	154,192	127,909	282,101	20%
Total	789,379	593,074	1,382,453	100%

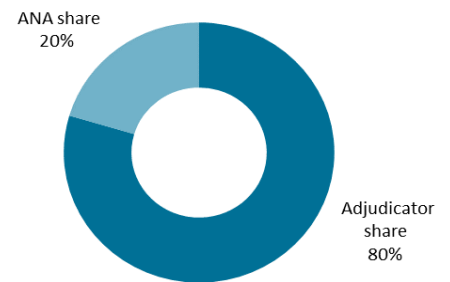


Table 18: Total adjudication fees (excluding administration and adjudication certificate fees)

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	30	2,713	773	115	658	28.5%	15%	85%
\$5,000-\$9,999	27	7,478	1,006	161	845	13.4%	16%	84%
\$10,000-\$24,999	41	15,745	1,652	499	1,153	10.5%	30%	70%
\$25,000-\$39,999	14	31,304	2,459	804	1,655	7.9%	33%	67%
\$40,000-\$99,999	48	63,813	4,415	818	3,597	6.9%	19%	81%
\$100,000-\$249,999	30	148,862	7,955	1,572	6,383	5.3%	20%	80%
\$250,000-\$499,999	19	355,166	12,821	4,080	8,741	3.6%	32%	68%
\$500,000-\$749,999	8	602,152	21,188	4,786	16,401	3.5%	23%	77%
\$750,000-\$999,999	5	862,059	21,156	13,413	7,743	2.5%	63%	37%
\$1,000,000-\$4,999,999	8	2,124,463	19,445	9,861	9,584	0.9%	51%	49%
Total	230	-	-	-	-	-	-	-

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

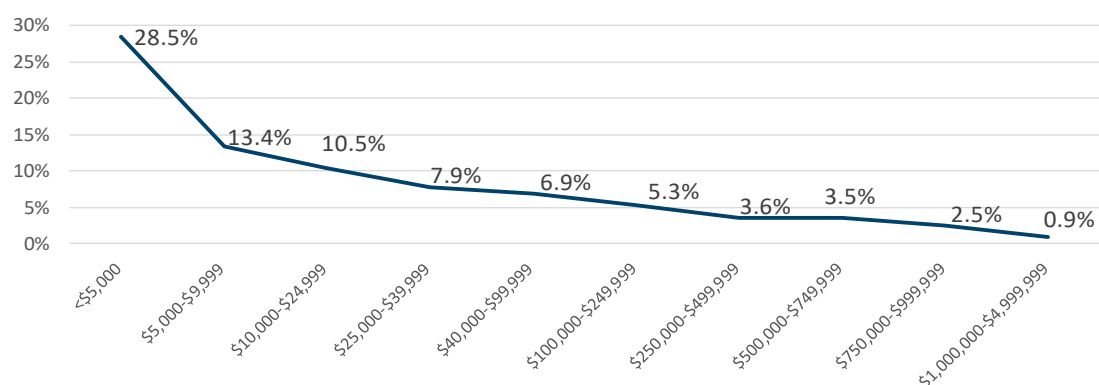


Figure 15: Average adjudicator fee as a percentage of the average claimed amount

Adjudicator fees

Adjudicator fees

Range of claimed amounts (\$)	Number	Total	Average	Minimum	Maximum
<5,000	43	23,188	539	0	4,132
5,000-9,999	36	26,150	747	0	2,220
10,000-24,999	65	68,005	1,046	0	5,000
25,000-39,999	28	37,420	1,336	0	5,000
40,000-99,999	66	217,103	3,289	0	12,400
100,000-249,999	43	240,833	5,734	0	21,088
250,000-499,999	30	292,633	9,754	0	39,590
500,000-749,999	10	170,402	17,040	0	44,200
750,000-999,999	6	106,780	17,797	1,000	43,300
1,000,000-4,999,999	11	199,560	18,142	0	44,000
Total	338	1,382,073	-	-	-

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

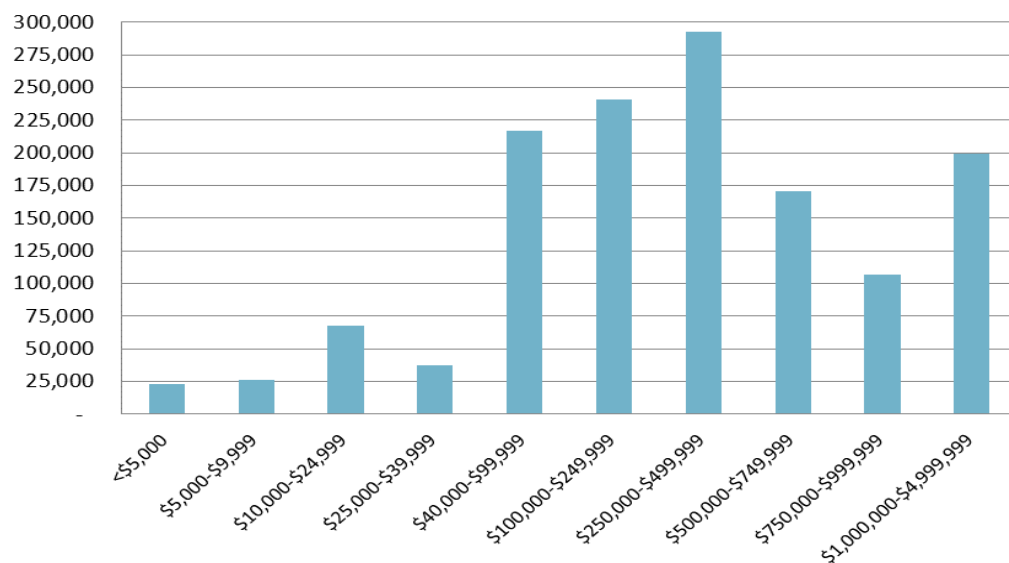


Figure 16: Total adjudicator fees by claimed amounts (completed applications)

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	43	23,188	3,460	19,728	80	459
5,000-9,999	36	26,150	4,180	21,970	119	628
10,000-24,999	65	68,005	20,606	47,399	317	729
25,000-39,999	28	37,420	14,250	23,170	509	828
40,000-99,999	66	217,103	44,430	172,673	673	2,616
100,000-249,999	43	240,833	54,625	186,208	1,301	4,434
250,000-499,999	30	292,633	126,548	166,085	4,218	5,536
500,000-749,999	10	170,402	38,741	131,661	3,874	13,166
750,000-999,999	6	106,780	68,067	38,713	11,345	6,452
1,000,000-4,999,999	11	199,560	100,885	98,675	9,171	8,970
Total	338	1,382,073	475,792	906,282	-	-

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

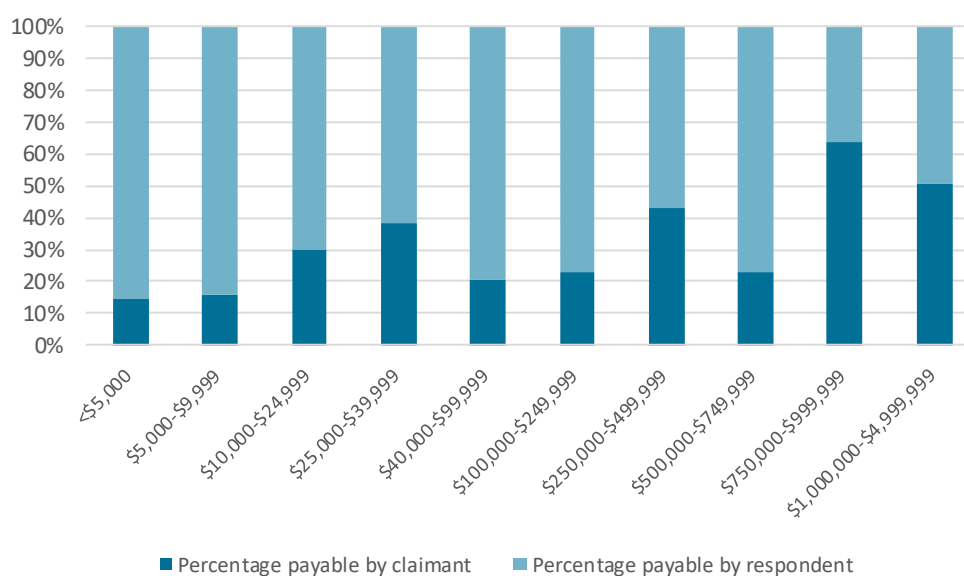


Figure 17: Proportion of adjudicator fees payable by claimant and respondent

Adjudication certificates

Adjudication certificates issued versus determinations

Adjudication certificates issued	Jul-Dec	Jan-Jun	FY
Applications determined	127	103	230
Adjudication certificates issued	41	43	84
Certificates issued versus determinations	32%	42%	37%

Table 22: Adjudication certificates issued

Adjudication certificates issued by adjudicated amount

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	6	6	12	14%
5,000-9,999	8	5	13	16%
10,000-24,999	11	10	21	25%
25,000-39,999	2	3	5	6%
40,000-99,999	8	10	18	22%
100,000-249,999	4	3	7	8%
250,000-499,999	2	3	5	6%
500,000-749,999	-	2	2	2%
750,000-999,999	-	-	-	0%
1,000,000-4,999,999	-	1	1	1%
Total	41	43	84	100%

Table 23: Adjudication certificates by adjudicated amount

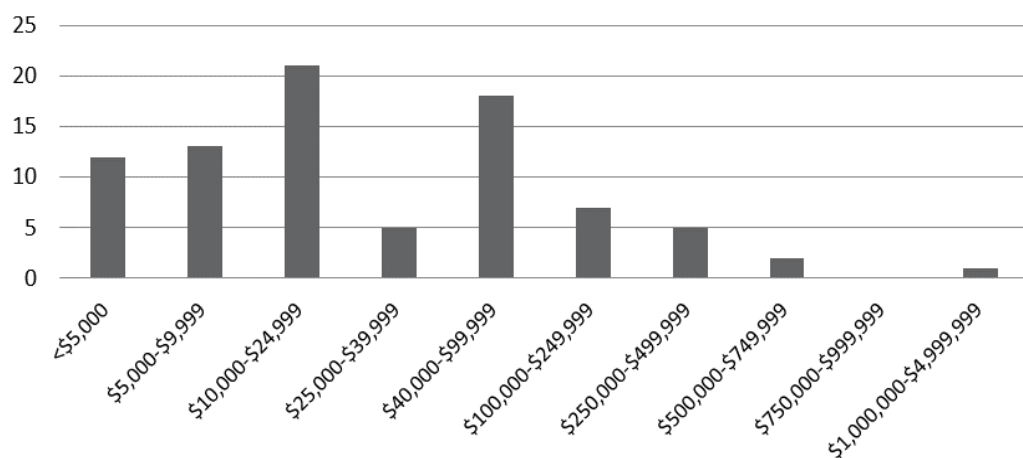


Figure 18: Number of adjudication certificates issued by adjudicated amount

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

Resolution Institute (Combining LEADR & IAMA)

Rialto Adjudications Pty Ltd

RICS Dispute Resolution Service
