

Building and Construction Industry

Security of Payment Act 2002

Adjudication Activity Statistics

2017-2018 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 392 applications managed in this reporting period, including two (2) review applications. This report provides statistical reporting on the 390 standard applications and separate statistical reporting on the two 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 2017-2018 and this report are the result of data notified and updated after the publication of the VBA Annual Report 2017-2018.

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 2017-2018 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	205	185	390	-
Applications determined	141	106	247	63%
Applications not determined	64	79	143	37%

Table 1: Application statistics

Reason application not determined

Reason not determined	Jul-Dec	Jan-Jun	FY	%
Settled by parties	18	16	34	24%
Withdrawn by claimant	33	39	72	50%
No jurisdiction	2	5	7	5%
Timed out	8	4	12	8%
Other	3	-	3	2%
Not yet determined	-	15	15	11%
Total	64	79	143	100%

Table 2: Reason application not determined

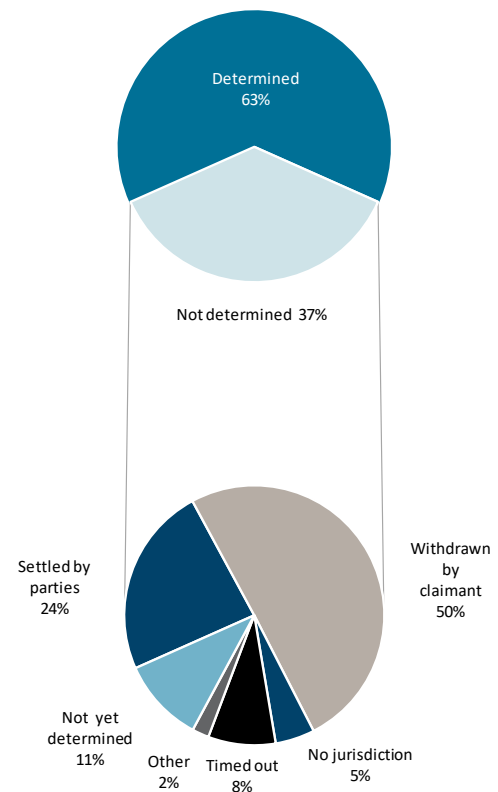


Figure 1: Applications determined vs not determined and reason application not determined

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)	106	90	196	50%
Section 18(1)(a)(ii)	6	2	8	2%
Section 18(1)(b)	93	93	186	48%
Total	205	185	390	100%

Table 3: Applications by section of the SOP Act

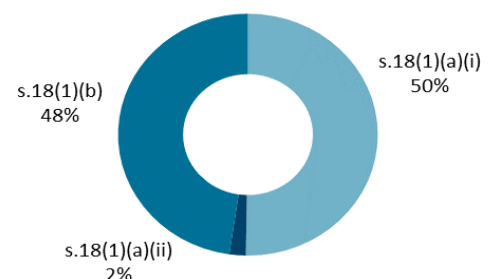


Figure 2: Section of SOP Act under which application made

Section 18(2) notices

	Jul-Dec	Jan-Jun	FY
Section 18(2) notice issued	93	90	183

Table 4: Section 18(2) notices

APPLICATIONS BY CLAIMANT AND RESPONDENT TYPE

Claimant statistics

Claimant type	Jul-Dec	Jan-Jun	FY	%
Consultant	5	10	15	4%
Head contractor	20	35	55	14%
Major subcontractor	36	30	66	17%
Manufacturer of building materials or components	8	1	9	2%
Project manager	1	4	5	1%
Supplier	18	10	28	7%
Trade subcontractor	117	95	212	55%
Total	205	185	390	100%

Table 5: Claimant type

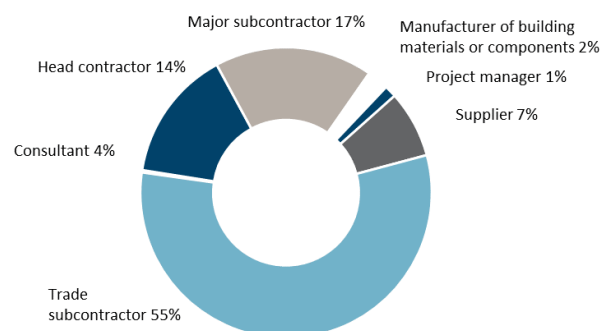


Figure 3: Claimant type

Respondent statistics

Respondent type	Jul-Dec	Jan-Jun	FY	%
Consultant	-	4	4	1%
Developer	34	48	82	21%
Head contractor	109	102	211	54%
Major subcontractor	48	27	75	19%
Manufacturer of building materials or components	1	-	1	0%
Project manager	-	1	1	0%
Supplier	5	-	5	2%
Trade subcontractor	8	3	11	3%
Total	205	185	390	100%

Table 6: Respondent type

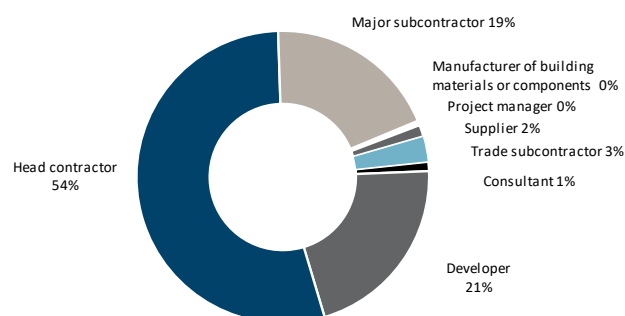


Figure 4: Respondent type

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	2	4	6	2%
Geelong	4	6	10	3%
Hume	-	1	1	0%
Latrobe - Gippsland	3	4	7	2%
Melbourne - Inner	59	60	119	31%
Melbourne - Inner East	24	29	53	14%
Melbourne - Inner South	15	21	36	9%
Melbourne - North East	16	9	25	6%
Melbourne - North West	3	7	10	3%
Melbourne - Outer East	12	11	23	6%
Melbourne - South East	24	11	35	9%
Melbourne - West	26	10	36	9%
Mornington Peninsula	5	3	8	2%
North West	1	1	2	0%
Shepparton	2	-	2	0%
Warrnambool and South West	1	3	4	1%
Various	8	4	12	3%
Total	205	185	390	100%

Table 7: State-wide distribution

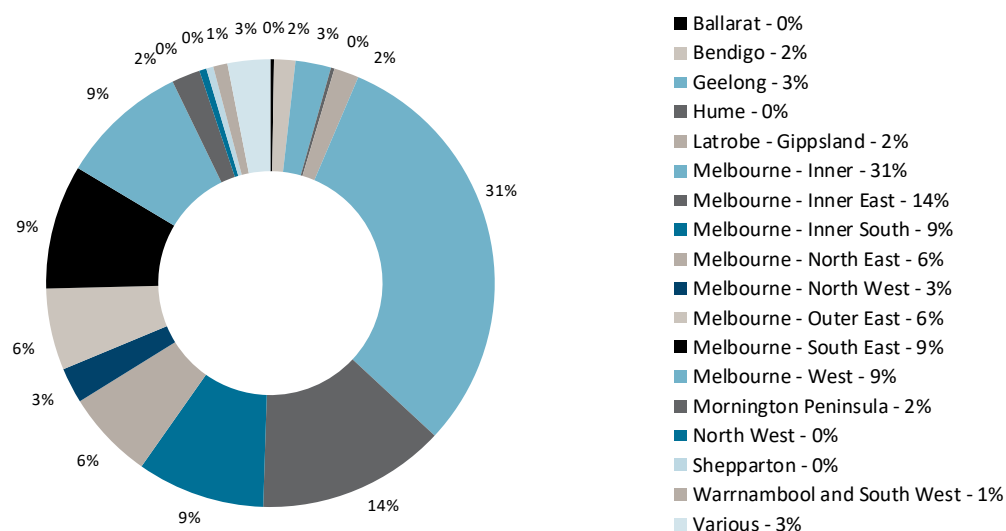


Figure 5: State-wide distribution

Inner-Melbourne distribution

Inner-Melbourne	Jul-Dec	Jan-Jun	FY	%
Melbourne - Inner	59	60	119	57%
Brunswick - Coburg	5	5	10	5%
Darebin - South	1	4	5	2%
Essendon	4	2	6	3%
Melbourne City	21	19	40	19%
Port Phillip	4	13	17	8%
Stonnington - West	14	4	18	9%
Yarra	10	13	23	11%
Melbourne - Inner East	24	29	53	25%
Boroondara	10	18	28	13%
Manningham - West	7	5	12	6%
Whitehorse - West	7	6	13	6%
Melbourne - Inner South	15	21	36	18%
Bayside	8	16	24	12%
Glen Eira	4	2	6	3%
Kingston	3	3	6	3%
Total	98	110	208	100%

Table 8: Inner-Melbourne distribution

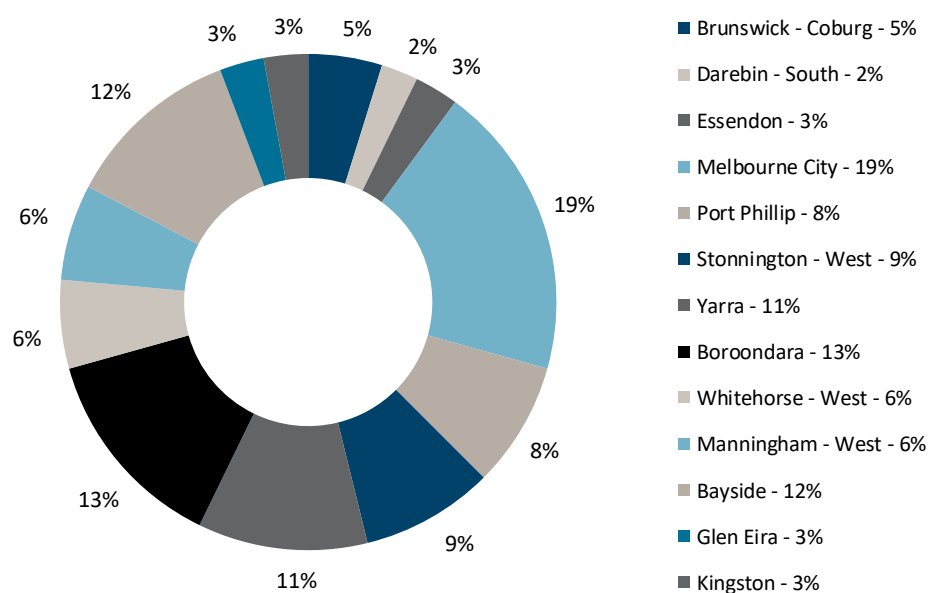


Figure 6: Inner-Melbourne distribution

Claimed amounts

Claimed amount statistics

Claimed amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of claimed amount	29,787,639.72	43,112,730.49	72,900,370.21
Maximum claimed amount	2,717,847.30	4,156,419.37	4,156,419.37
Minimum claimed amount	200.00	1,294.48	200.00
Average claimed amount	145,305.56	233,041.79	186,924.03

Table 9: Claimed amount statistics

Number of claims by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	18	14	32	8%
5,000-9,999	23	18	41	10%
10,000-24,999	45	28	73	19%
25,000-39,999	21	26	47	12%
40,000-99,999	38	39	77	20%
100,000-249,999	31	32	63	16%
250,000-499,999	17	12	29	7%
500,000-749,999	4	6	10	3%
750,000-999,999	3	1	4	1%
1,000,000-4,999,999	5	9	14	4%
Total	205	185	390	100%

Table 10: Number of claims by claim range

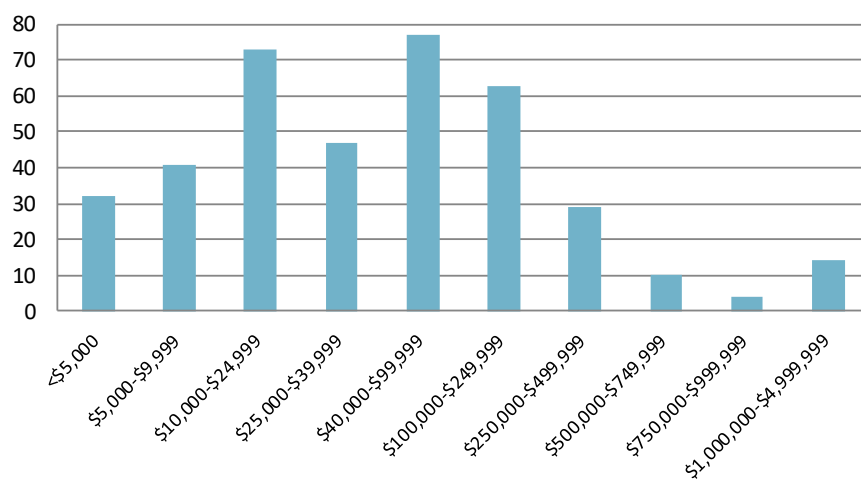


Figure 7: Number of claims by claim range

Claimed amount by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	43,622	46,887	90,509	0%
5,000-9,999	154,040	125,002	279,042	0%
10,000-24,999	776,340	475,416	1,251,756	2%
25,000-39,999	676,091	825,160	1,501,251	2%
40,000-99,999	2,580,719	2,409,383	4,990,102	7%
100,000-249,999	5,324,113	4,680,959	10,005,071	14%
250,000-499,999	6,244,894	4,478,568	10,723,462	15%
500,000-749,999	2,536,643	3,618,489	6,155,132	8%
750,000-999,999	2,516,308	860,592	3,376,900	5%
1,000,000-4,999,999	8,934,870	25,592,274	34,527,144	47%
Total	29,787,640	43,112,730	72,900,370	100%

Table 11: Claimed amounts by claim range

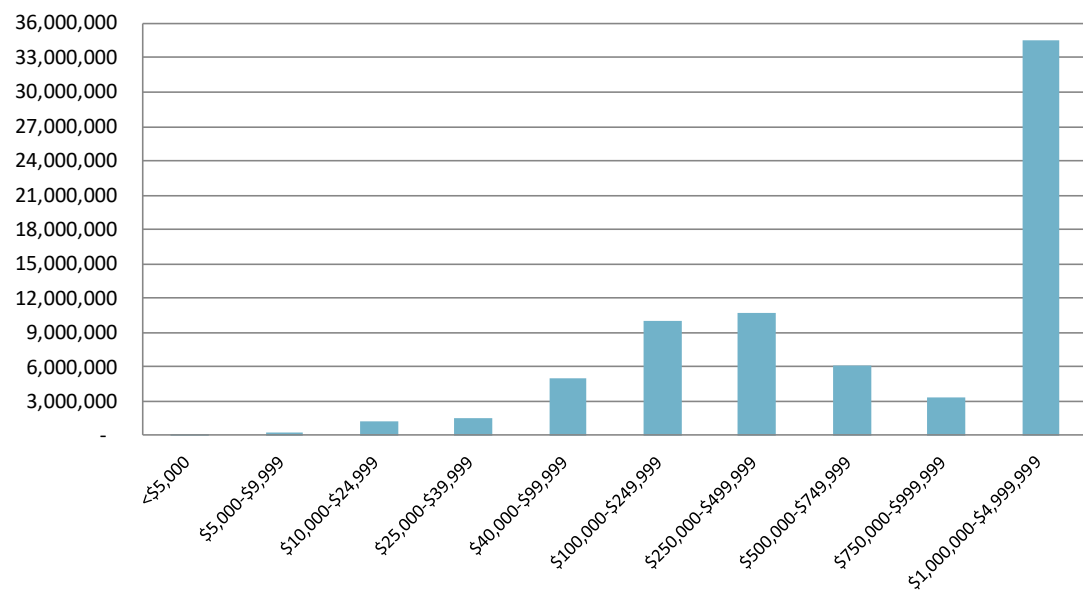


Figure 8: Total claimed amounts by claim range

Adjudicated amounts

Adjudicated amount statistics

Adjudicated amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of adjudicated amounts	9,760,716.65	12,886,717.53	22,647,434.18
Maximum adjudicated amount	1,663,621.44	2,308,083.58	2,308,083.58
Minimum adjudicated amount	0.00	0.00	0.00
Average adjudicated amount	69,224.94	123,910.75	92,438.51

Table 12: Adjudicated amount statistics

Number of adjudicated amounts by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	43	28	71	29%
5,000-9,999	15	8	23	9%
10,000-24,999	26	13	39	16%
25,000-39,999	14	12	26	10%
40,000-99,999	19	16	35	14%
100,000-249,999	14	18	32	13%
250,000-499,999	7	7	14	6%
500,000-749,999	2	1	3	1%
750,000-999,999	-	-	-	0%
1,000,000-4,999,999	1	3	4	2%
Total	141	106	247	100%

Table 13: Number of adjudicated amounts by adjudicated amount range

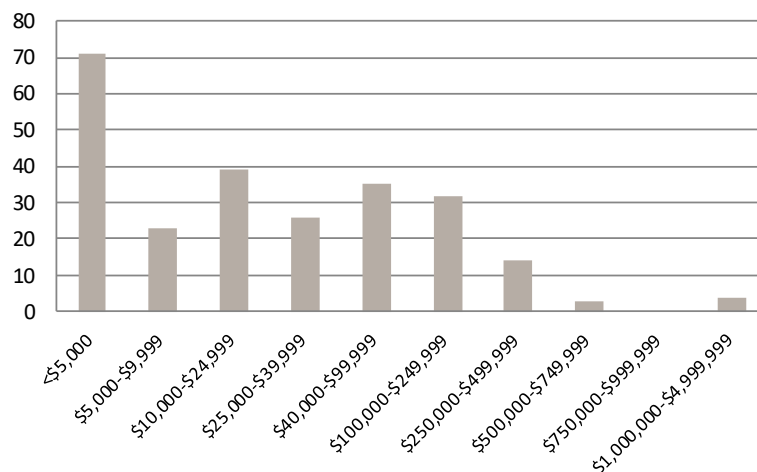


Figure 9: Number of adjudicated amounts by adjudicated amount range

Adjudicated amount by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	33,284	7,512	40,795	0%
5,000-9,999	98,266	57,786	156,052	1%
10,000-24,999	417,820	207,190	625,010	3%
25,000-39,999	444,801	404,854	849,655	4%
40,000-99,999	1,233,859	1,001,139	2,234,997	10%
100,000-249,999	2,388,890	2,633,800	5,022,690	22%
250,000-499,999	2,354,123	2,641,998	4,996,121	22%
500,000-749,999	1,126,054	593,682	1,719,736	7%
750,000-999,999	-	-	-	0%
1,000,000-4,999,999	1,663,621	5,338,757	7,002,379	31%
Total	9,760,717	12,886,718	22,647,434	100%

Table 14: Adjudicated amounts by adjudicated amount range

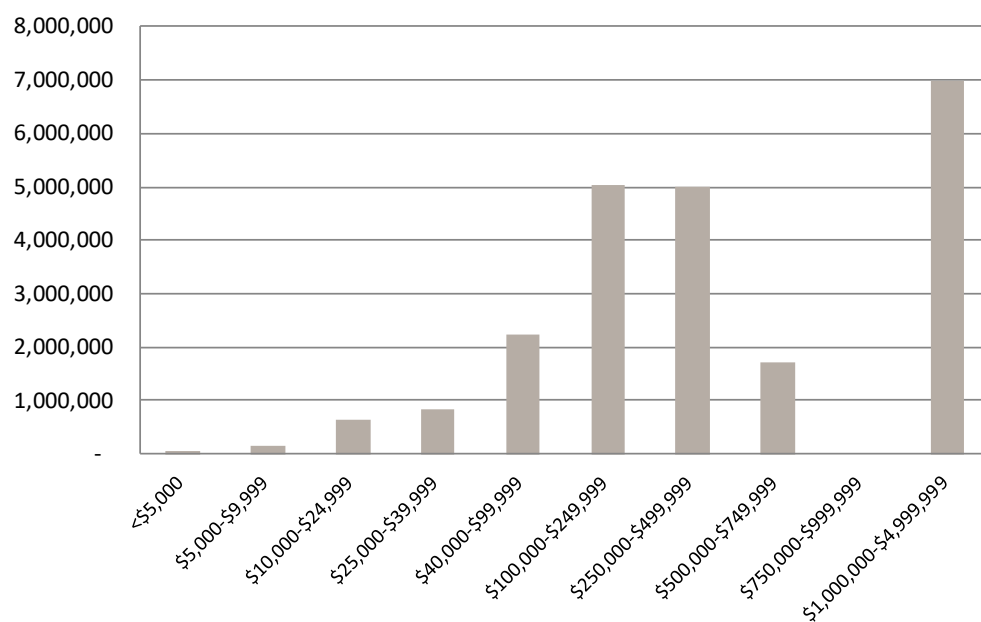


Figure 10: Total adjudicated amounts by adjudicated amount range

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	18	43	14	28	32	71
5,000-9,999	23	15	18	8	41	23
10,000-24,999	45	26	28	13	73	39
25,000-39,999	21	14	26	12	47	26
40,000-99,999	38	19	39	16	77	35
100,000-249,999	31	14	32	18	63	32
250,000-499,999	17	7	12	7	29	14
500,000-749,999	4	2	6	1	10	3
750,000-999,999	3	-	1	-	4	-
1,000,000-4,999,999	5	1	9	3	14	4
Total	205	141	185	106	390	247

Table 15: Claimed amounts vs adjudicated amounts: numbers

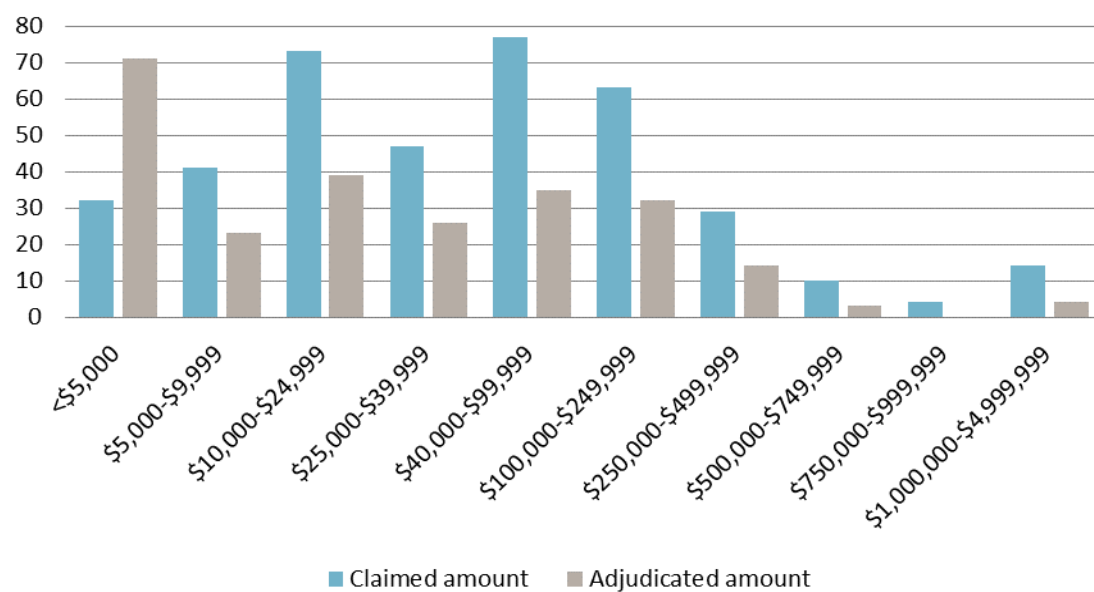


Figure 11: Claimed amounts versus adjudicated amounts: numbers

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	43,622	33,284	46,887	7,512	90,509	40,795
5,000-9,999	154,040	98,266	125,002	57,786	279,042	156,052
10,000-24,999	776,340	417,820	475,416	207,190	1,251,756	625,010
25,000-39,999	676,091	444,801	825,160	404,854	1,501,251	849,655
40,000-99,999	2,580,719	1,233,859	2,409,383	1,001,139	4,990,102	2,234,997
100,000-249,999	5,324,113	2,388,890	4,680,959	2,633,800	10,005,071	5,022,690
250,000-499,999	6,244,894	2,354,123	4,478,568	2,641,998	10,723,462	4,996,121
500,000-749,999	2,536,643	1,126,054	3,618,489	593,682	6,155,132	1,719,736
750,000-999,999	2,516,308	-	860,592	-	3,376,900	-
1,000,000-4,999,999	8,934,870	1,663,621	25,592,274	5,338,757	34,527,144	7,002,379
Total	29,787,640	9,760,717	43,112,730	12,886,718	72,900,370	22,647,434

Table 16: Claimed amounts vs adjudicated amounts: amounts

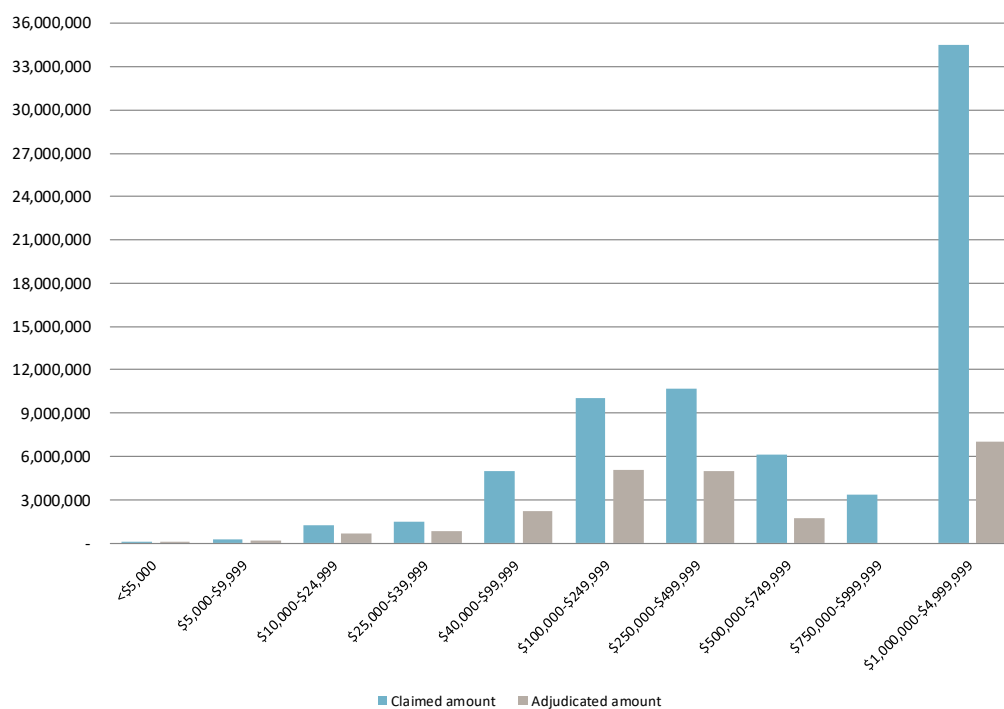


Figure 12: Claimed amounts versus adjudicated amounts: amounts

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	32	19	10	53%	2,686	1,544
5,000-9,999	41	25	15	60%	6,858	5,179
10,000-24,999	73	44	21	48%	17,165	11,924
25,000-39,999	47	27	14	52%	31,885	21,964
40,000-99,999	77	54	11	20%	65,731	36,779
100,000-249,999	63	40	15	38%	157,403	103,656
250,000-499,999	29	21	-	0%	364,506	198,335
500,000-749,999	10	7	-	0%	603,547	229,524
750,000-999,999	4	4	-	0%	844,225	483,772
1,000,000-4,999,999	14	6	1	17%	2,896,324	1,265,089
Total	390	247	87	-	-	-

Table 17: Adjudicated amount as a percentage of claimed amount

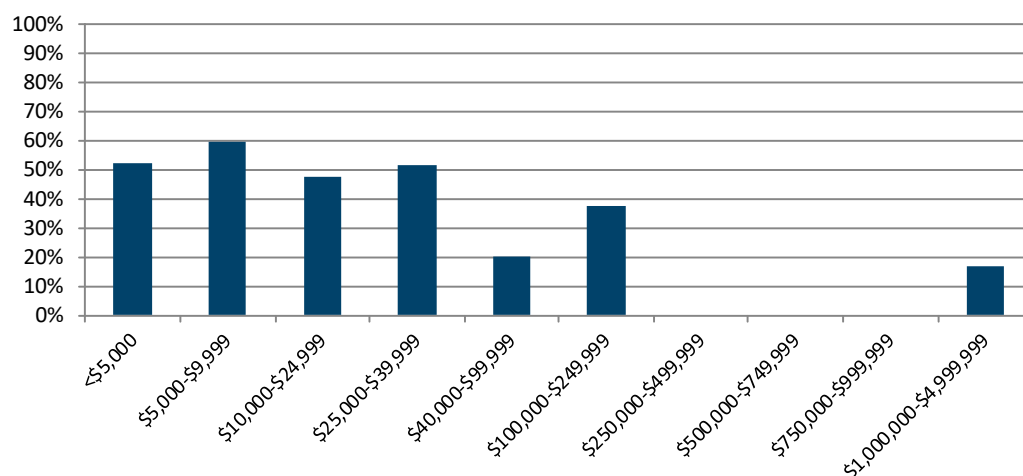


Figure 13: Adjudicated amount as a percentage of claimed amount

Adjudication fees

Total adjudication fees (excluding administration and adjudication certificate fees)

Adjudication Fees	Jul-Dec	Jan-Jun	FY	%
Application fees	-	-	-	0%
Adjudicator fees	723,231	551,781	1,275,013	100%
Adjudicator share	556,485	412,265	968,750	76%
ANA share	166,746	139,517	306,263	24%
Total	723,231	551,781	1,275,013	100%

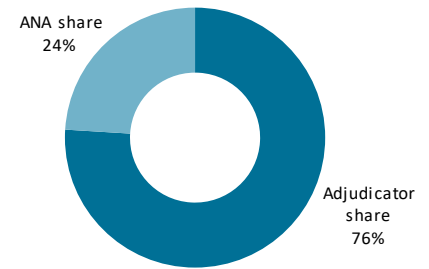


Table 18: Total adjudication fees (excluding administration and adjudication certificate fees)

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	19	2,686	636	280	357	23.7%	44%	56%
\$5,000-\$9,999	25	6,858	966	116	850	14.1%	12%	88%
\$10,000-\$24,999	44	17,165	1,484	233	1,251	8.6%	16%	84%
\$25,000-\$39,999	27	32,001	2,943	698	2,245	9.2%	24%	76%
\$40,000-\$99,999	54	65,634	3,593	1,043	2,550	5.5%	29%	71%
\$100,000-\$249,999	40	157,403	7,093	1,559	5,535	4.5%	22%	78%
\$250,000-\$499,999	21	364,506	13,894	4,049	9,845	3.8%	29%	71%
\$500,000-\$749,999	7	603,547	12,044	2,208	9,836	2.0%	18%	82%
\$750,000-\$999,999	4	844,225	22,740	5,675	17,065	2.7%	25%	75%
\$1,000,000-\$4,999,999	6	2,896,324	15,467	6,298	9,168	0.5%	41%	59%
Total	247	-	-	-	-	-	-	-

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

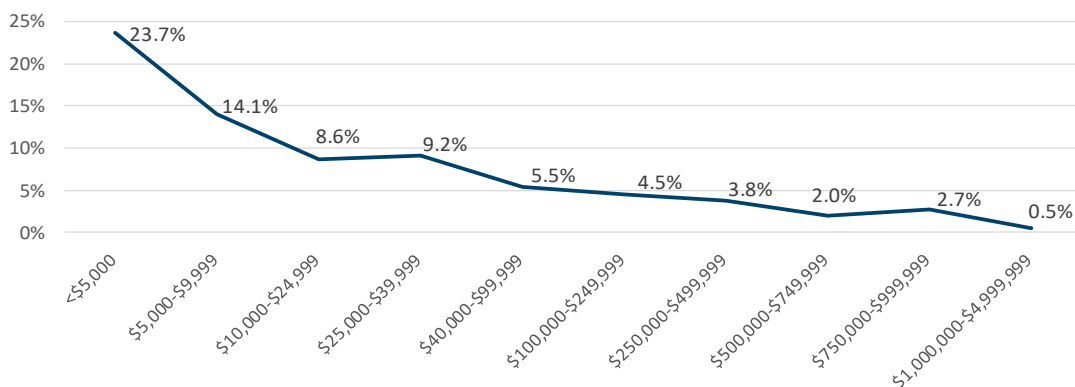


Figure 15: Average adjudicator fee as a percentage of the average claimed amount

Adjudicator fees

Adjudicator fees

Range of claimed amounts (\$)	Number	Total	Average	Minimum	Maximum
<5,000	32	12,089	378	0	1,110
5,000-9,999	40	24,149	604	0	3,330
10,000-24,999	70	66,477	950	0	5,000
25,000-39,999	44	77,646	1,806	0	6,290
40,000-99,999	76	193,776	2,584	0	12,200
100,000-249,999	58	288,252	4,970	0	24,640
250,000-499,999	28	293,055	10,466	0	48,200
500,000-749,999	10	84,310	8,431	0	22,000
750,000-999,999	4	90,960	22,740	10,360	32,200
1,000,000-4,999,999	13	144,300	11,100	0	44,000
Total	375	1,275,013	-	-	-

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

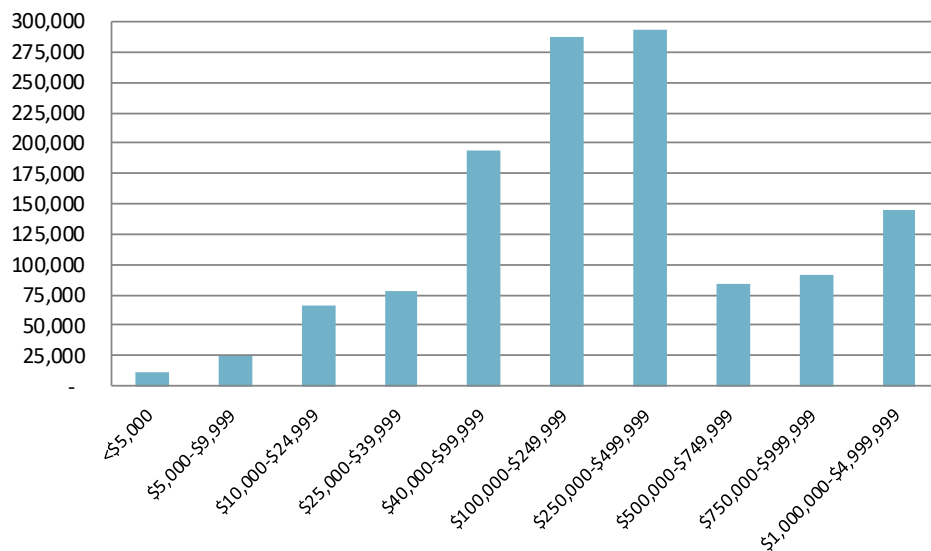


Figure 16: Total adjudicator fees by claimed amounts (completed applications)

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	32	12,089	5,312	6,777	166	212
5,000-9,999	40	24,149	2,900	21,249	73	531
10,000-24,999	70	66,477	11,440	55,037	163	786
25,000-39,999	44	77,646	19,270	58,376	448	1,358
40,000-99,999	76	193,776	58,638	135,138	782	1,802
100,000-249,999	58	288,252	65,766	222,486	1,134	3,836
250,000-499,999	28	293,055	85,675	207,380	3,060	7,406
500,000-749,999	10	84,310	15,455	68,855	1,546	6,886
750,000-999,999	4	90,960	22,700	68,260	5,675	17,065
1,000,000-4,999,999	13	144,300	63,540	80,760	4,888	6,212
Total	375	1,275,013	350,695	924,318	-	-

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

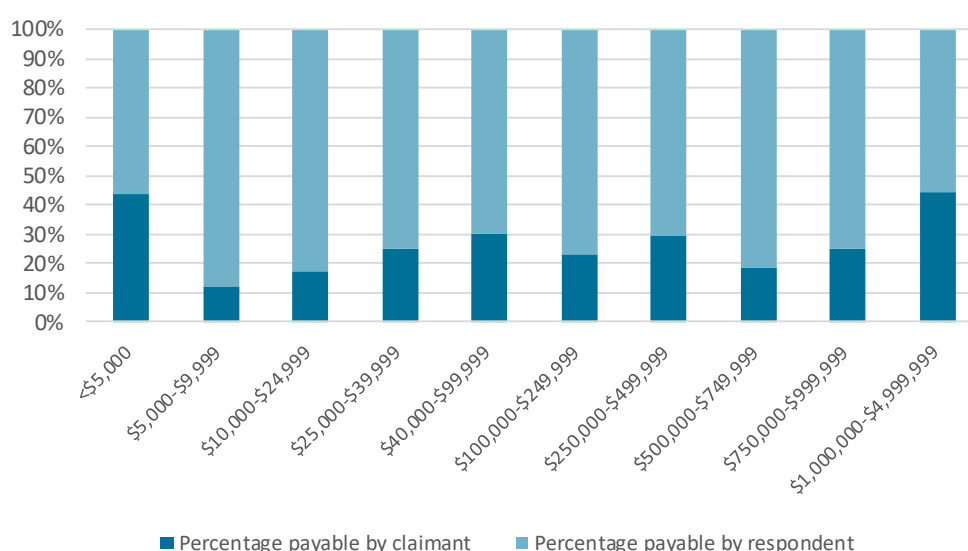


Figure 17: Proportion of adjudicator fees payable by claimant and respondent

Adjudication certificates

Adjudication certificates issued versus determinations

Adjudication certificates issued	Jul-Dec	Jan-Jun	FY
Applications determined	141	106	247
Adjudication certificates issued	50	24	74
Certificates issued versus determinations	35%	23%	30%

Table 22: Adjudication certificates issued

Adjudication certificates issued by adjudicated amount

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	7	2	9	11%
5,000-9,999	7	-	7	10%
10,000-24,999	12	4	16	22%
25,000-39,999	5	2	7	9%
40,000-99,999	8	6	14	19%
100,000-249,999	7	9	16	22%
250,000-499,999	3	1	4	5%
500,000-749,999	-	-	-	0%
750,000-999,999	-	-	-	0%
1,000,000-4,999,999	1	-	1	1%
Total	50	24	74	100%

Table 23: Adjudication certificates by adjudicated amount

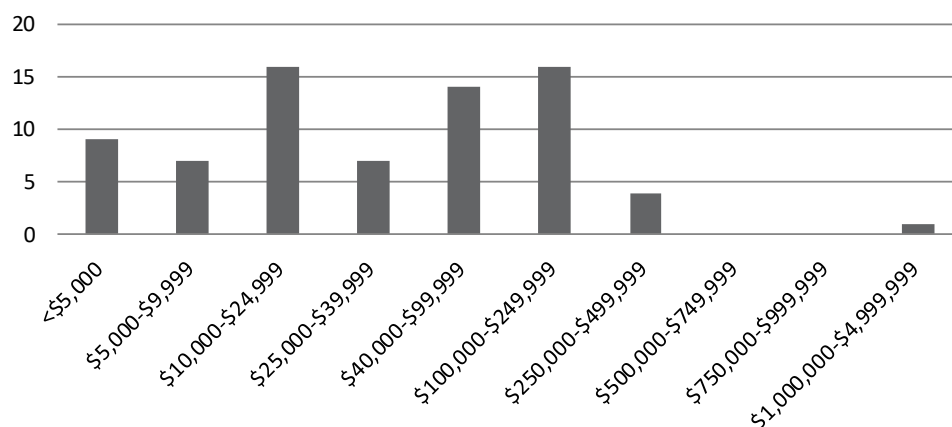


Figure 18: Number of adjudication certificates issued by adjudicated amount

Review application statistics

This publication includes reporting on the two (2) review applications lodged during the reporting period and the activity related to those applications in the reporting period.

REVIEW APPLICATION STATISTICS

Review applications lodged, determined, not determined

Review applications	Jul-Dec	Jan-Jun	FY
Review applications lodged	-	2	2
Review applications determined	-	2	2
Review applications not determined	-	-	-

Table 24: Review application statistics

Reason application not determined

Reason not determined	Jul-Dec	Jan-Jun	FY
No jurisdiction – failure to meet statutory preconditions	-	-	-
No jurisdiction – invalid application	-	-	-
Total	-	-	-

Table 25: Reason application not determined

APPLICATIONS BY SECTION

Section of SOP Act under which review application made

Section of SOP Act	Jul-Dec	Jan-Jun	FY
Section 28B	-	2	2
Section 28C	-	-	-
Total	-	2	2

Table 26: Applications by section of the SOP Act

APPLICATIONS BY REVIEW APPLICANT TYPE

Review applicant type

Review applicant type	Jul-Dec	Jan-Jun	FY
Claimant in original application	-	-	-
Respondent in original application	-	2	2
Total	-	2	2

Table 27: Review applicant type

RESULTS OF REVIEW APPLICATIONS

Decision of review adjudicator

Result of review application	Jul-Dec	Jan-Jun	FY
No jurisdiction	-	-	-
Determination substituted	-	1	1
Determination confirmed	-	1	1
Total	-	2	2

Table 28: Decision of review adjudicator

Decision by review applicant type

Decision by review applicant type	No jurisdiction	Determination substituted	Determination confirmed	Total
Claimant in original application (Applicant in review application)	-	-	-	-
Respondent in original application (Applicant in review application)	-	1	1	2
Total	-	1	1	2

Table 29: Decision by review applicant type

REVIEW APPLICATION FEES

Total review adjudicator fees

Review application fees	Jul-Dec	Jan-Jun	FY	%
Application fees	-	2,000	2,000	8%
Adjudicator fees	-	23,400	23,400	92%
Adjudicator share	-	18,680	18,680	73%
ANA share	-	4,720	4,720	19%
Total	-	25,400	25,400	100%

Table 30: Total review application fees

Apportionment of review adjudicator fees

Result of review application	Adjudicator fees payable by applicant in review application	Adjudicator fees payable by defendant in review application
No jurisdiction	-	-
Determination substituted	0%	100%
Determination confirmed	50%	50%

Table 31: Apportionment of review adjudicator fees

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.

Adjudicate Today Pty Limited

Australian Solutions Centre Pty Ltd

Resolution Institute (Combining LEADR & IAMA)

Rialto Adjudications Pty Ltd

RICS Dispute Resolution Service
