Building and Construction Industry

Security of Payment Act 2002

Adjudication Activity Statistics

2018-2019 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:

Variance – Variances in the data reported in the VBA Annual Report 2018-2019 and this report are the result of data notified and updated after the publication of the VBA Annual Report 2018-2019.

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.

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 2018-2019 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	204	256	460	1
Applications determined	153	149	302	66%
Applications not determined	51	107	158	34%

Table 1: Application statistics

Reason application not determined

Reason not determined	Jul-Dec	Jan-Jun	FY	%
Settled by parties	21	30	51	32%
Withdrawn by claimant	26	47	73	46%
No jurisdiction	1	3	4	3%
Timed out	3	8	11	7%
Not yet determined	-	19	19	12%
Total	51	107	158	100%

Table 2: Reason application not determined

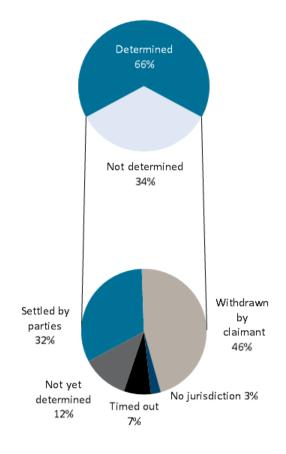


Figure 1: Applications determined vs not determined and reason application not determined

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)	117	121	238	52%
Section 18(1)(a)(ii)	4	9	13	3%
Section 18(1)(b)	82	125	207	45%
NA	1	1	2	0%
Total	204	256	460	100%

Table 3: Applications by section of the SOP Act

s.18(1)(b) 45% s.18(1)(a)(ii) 3%

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	121	203

Table 4: Section 18(2) notices

APPLICATIONS BY CLAIMANT AND RESPONDENT TYPE

Claimant statistics

Claimant type	Jul-Dec	Jan-Jun	FY	%
Consultant	5	12	17	4%
Head contractor	33	36	69	15%
Major subcontractor	38	51	89	19%
Manufacturer of building materials or components	4	4	8	2%
Project manager	2	2	4	1%
Supplier	6	9	15	3%
Trade subcontractor	116	142	258	56%
Total	204	256	460	100%

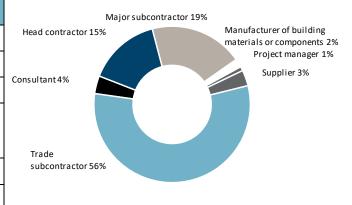


Figure 3: Claimant type

Table 5: Claimant type

Respondent statistics

Respondent type	Jul-Dec	Jan-Jun	FY	%
Consultant	3	-	3	1%
Developer	52	59	111	24%
Head contractor	117	164	281	61%
Major subcontractor	23	25	48	11%
Manufacturer of building materials or components	-	1	1	0%
Project manager	-	4	4	1%
Supplier	1	-	1	0%
Trade subcontractor	8	3	11	2%
Total	204	256	460	100%

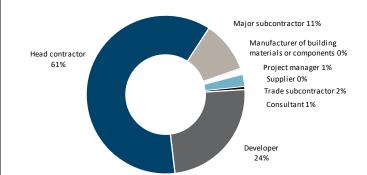


Figure 4: Respondent type

Table 6: 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	1	2	3	1%
Geelong	1	8	9	2%
Hume	3	-	3	1%
Latrobe - Gippsland	2	-	2	0%
Melbourne - Inner	53	83	136	29%
Melbourne - Inner East	31	33	64	14%
Melbourne - Inner South	27	28	55	12%
Melbourne - North East	25	13	38	8%
Melbourne - North West	6	6	12	3%
Melbourne - Outer East	8	12	20	4%
Melbourne - South East	17	20	37	8%
Melbourne – West	10	30	40	9%
Mornington Peninsula	5	7	12	3%
North West	1	4	5	1%
Shepparton	-	1	1	0%
Warrnambool and South West	1	2	3	1%
Various	12	5	17	3%
Total	204	256	460	100%

Table 7: State-wide distribution

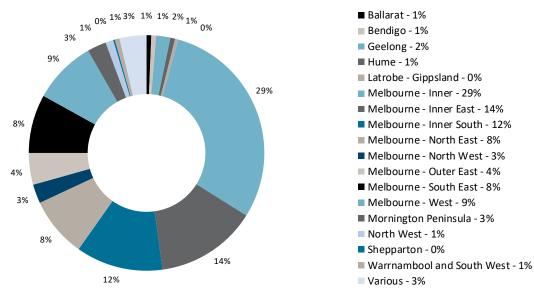


Figure 5: State-wide distribution

Inner-Melbourne distribution

Inner-Melbourne	Jul-Dec	Jan-Jun	FY	%
Melbourne - Inner	53	83	136	53
Brunswick - Coburg	5	4	9	4%
Darebin - South	4	8	12	5%
Essendon	4	4	8	3%
Melbourne City	17	26	43	17%
Port Phillip	10	14	24	9%
Stonnington - West	6	11	17	7%
Yarra	7	16	23	9%
Melbourne - Inner East	31	33	64	25%
Boroondara	11	12	23	9%
Manningham - West	9	13	22	9%
Whitehorse - West	11	8	19	7%
Melbourne - Inner South	27	28	55	22%
Bayside	8	5	13	5%
Glen Eira	12	19	31	12%
Kingston	6	2	8	3%
Stonnington - East	1	2	3	1%
Total	111	144	255	100%

Table 8: Inner-Melbourne distribution

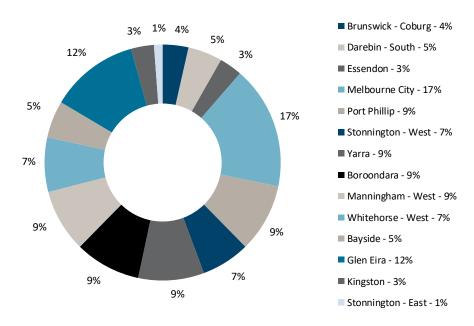


Figure 6: Inner-Melbourne distribution

2018-2019 5

Claimed amounts

Claimed amount statistics

Claimed amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of claimed amount	56,854,922.10	76,095,036.57	132,949,958.67
Maximum claimed amount	24,554,951.50	27,190,405.76	27,190,405.76
Minimum claimed amount	629.56	77.00	77.00
Average claimed amount	280,073.51	298,411.91	290,283.75

Table 9: Claimed amount statistics

Number of claims by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	13	35	48	10%
5,000-9,999	13	19	32	7%
10,000-24,999	34	45	79	17%
25,000-39,999	25	30	55	12%
40,000-99,999	46	44	90	20%
100,000-249,999	41	44	85	18%
250,000-499,999	16	26	42	9%
500,000-749,999	4	8	12	3%
750,000-999,999	4	1	5	1%
1,000,000-4,999,999	6	1	7	2%
5,000,000-9,999,999	-	-	-	-
> 10,000,000	1	2	3	1%
NA	1	1	2	0%
Total	204	256	460	100%

Table 10: Number of claims by claim range

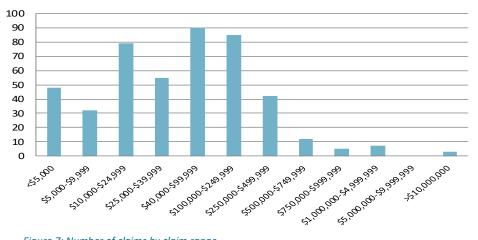


Figure 7: Number of claims by claim range

Claimed amount by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	40,280	85,394	125,673	0%
5,000-9,999	103,601	136,869	240,469	0%
10,000-24,999	606,085	724,283	1,330,368	1%
25,000-39,999	793,765	952,463	1,746,228	1%
40,000-99,999	2,787,910	3,041,849	5,829,759	5%
100,000-249,999	6,063,186	6,928,423	12,991,609	10%
250,000-499,999	5,958,491	8,850,478	14,808,969	11%
500,000-749,999	2,211,790	4,803,372	7,015,162	5%
750,000-999,999	3,508,450	979,415	4,487,864	3%
1,000,000-4,999,999	10,226,413	1,394,447	11,620,860	9%
5,000,000-9,999,999	-	-	-	-
> 10,000,000	24,554,952	48,198,045	72,752,996	55%
NA	-	-	-	-
Total	56,854,922	76,095,037	132,949,959	100%

Table 11: Claimed amounts by claim range

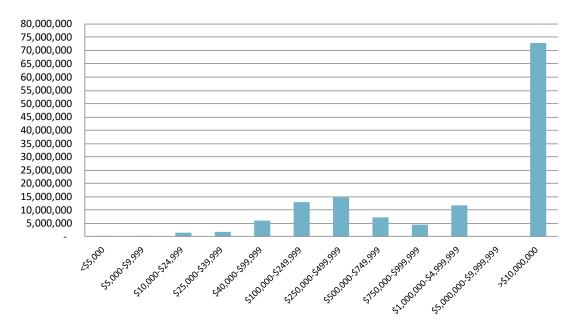


Figure 8: Total claimed amounts by claim range

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Adjudicated amounts

Adjudicated amount statistics

Adjudicated amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of adjudicated amounts	37,876,578.55	9,714,210.33	47,590,788.88
Maximum adjudicated amount	23,432,231.81	1,183,527.08	23,432,231.81
Minimum adjudicated amount	0.00	0.00	0.00
Average adjudicated amount	254,205.23	68,895.11	164,106.17

Table 12: Adjudicated amount statistics

Number of adjudicated amounts by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	40	48	88	29%
5,000-9,999	7	12	19	6%
10,000-24,999	22	19	41	14%
25,000-39,999	18	15	33	11%
40,000-99,999	35	26	61	20%
100,000-249,999	18	20	38	13%
250,000-499,999	8	7	15	5%
500,000-749,999	1	1	2	1%
750,000-999,999	1	-	1	0%
1,000,000-4,999,999	2	1	3	1%
5,000,000-9,999,999	-	-	-	-
> 10,000,000	1	-	1	0%
Total	153	149	302	100%

Table 13: Number of adjudicated amounts by adjudicated amount range

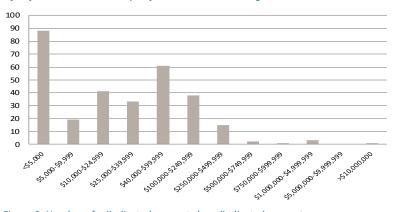


Figure 9: Number of adjudicated amounts by adjudicated amount range

Adjudicated amount by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	17,216	39,526	56,742	0%
5,000-9,999	54,170	83,467	137,636	0%
10,000-24,999	364,037	320,991	685,027	1%
25,000-39,999	574,502	479,618	1,054,120	2%
40,000-99,999	2,187,848	1,769,987	3,957,835	8%
100,000-249,999	2,800,807	3,135,954	5,936,761	13%
250,000-499,999	2,802,552	2,169,638	4,972,190	11%
500,000-749,999	682,906	531,502	1,214,408	3%
750,000-999,999	833,900	-	833,900	2%
1,000,000-4,999,999	4,126,411	1,183,527	5,309,938	11%
5,000,000-9,999,999	-	-	-	-
> 10,000,000	23,432,232	-	23,432,232	49%
Total	37,876,579	9,714,210	47,590,789	100%

Table 14: Adjudicated amounts by adjudicated amount range

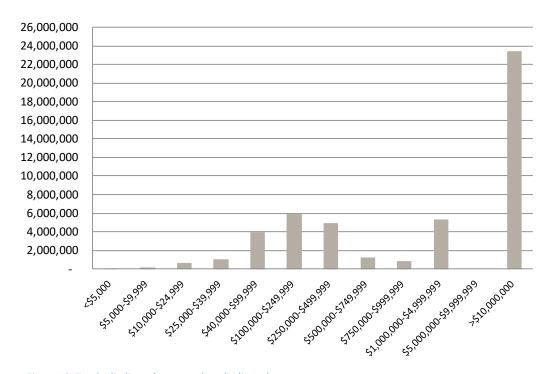


Figure 10: Total adjudicated amounts by adjudicated amount range

Claimed amounts versus adjudicated amounts

Claimed versus adjudicated amounts: numbers

	Jul-Dec		Jai	Jan-Jun		FY
Range of amounts (\$)	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount
<5,000	13	40	35	48	48	88
5,000-9,999	13	7	19	12	32	19
10,000-24,999	34	22	45	19	79	41
25,000-39,999	25	18	30	15	55	33
40,000-99,999	46	35	44	26	90	61
100,000-249,999	41	18	44	20	85	38
250,000-499,999	16	8	26	7	42	15
500,000-749,999	4	1	8	1	12	2
750,000-999,999	4	1	1	-	5	1
1,000,000-4,999,999	6	2	1	1	7	3
5,000,000-9,999,999	-	-	-	-	-	-
> 10,000,000	1	1	2	-	3	1
Total	204	153	256	149	460	302

Table 15: Claimed amounts vs adjudicated amounts: numbers

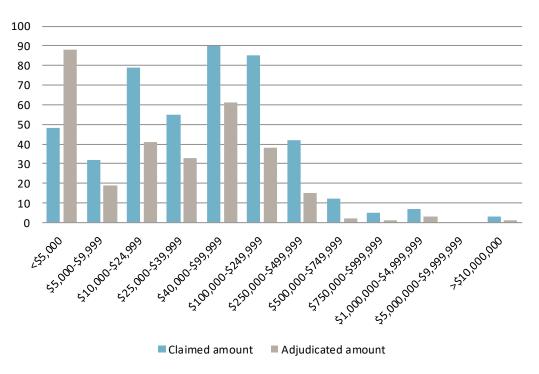


Figure 11: Claimed amounts versus adjudicated amounts: numbers

Claimed versus adjudicated amounts – amounts

	Jul-I	Jul-Dec Jan-Jun		-Jun	F\	(
Range of amounts (\$)	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount
<5,000	40,280	17,216	85,394	39,526	125,673	56,742
5,000-9,999	103,601	54,170	136,869	83,467	240,469	137,636
10,000-24,999	606,085	364,037	724,283	320,991	1,330,368	685,027
25,000-39,999	793,765	574,502	952,463	479,618	1,746,228	1,054,120
40,000-99,999	2,787,910	2,187,848	3,041,849	1,769,987	5,829,759	3,957,835
100,000-249,999	6,063,186	2,800,807	6,928,423	3,135,954	12,991,609	5,936,761
250,000-499,999	5,958,491	2,802,552	8,850,478	2,169,638	14,808,969	4,972,190
500,000-749,999	2,211,790	682,906	4,803,372	531,502	7,015,162	1,214,408
750,000-999,999	3,508,450	833,900	979,415	-	4,487,864	833,900
1,000,000-4,999,999	10,226,413	4,126,411	1,394,447	1,183,527	11,620,860	5,309,938
5,000,000-9,999,999	-	-	-	-	-	-
> 10,000,000	24,554,952	23,432,232	48,198,045	-	72,752,996	23,432,232
Total	56,854,922	37,876,579	76,095,037	9,714,210	132,949,959	47,590,789

Table 16: Claimed amounts vs adjudicated amounts: amounts

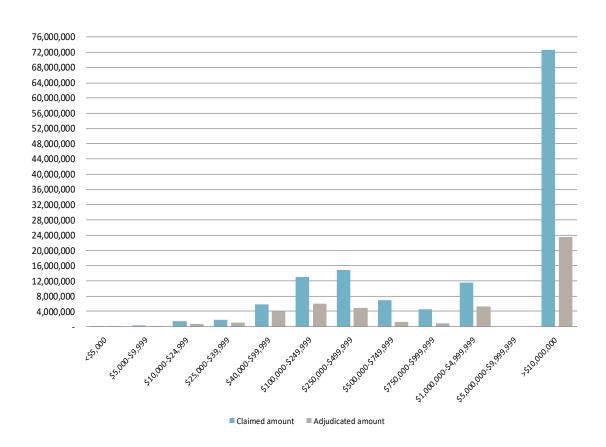


Figure 12: Claimed amounts versus adjudicated amounts: amounts

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	48	18	13	72%	3,311	2,706
5,000-9,999	32	21	12	57%	7,208	5,782
10,000-24,999	79	47	21	45%	16,775	10,428
25,000-39,999	55	40	19	48%	32,152	24,812
40,000-99,999	90	63	20	32%	65,630	47,006
100,000-249,999	85	66	9	14%	153,915	76,736
250,000-499,999	42	32	5	16%	349,353	180,117
500,000-749,999	12	5	-	0%	585,269	391,079
750,000-999,999	5	3	-	0%	918,174	505,602
1,000,000-4,999,999	7	6	-	0%	1,725,323	966,760
5,000,000-9,999,999	-	-	-	-	-	-
> 10,000,000	3	1		0%	24,554,952	23,432,232
NA	2	-	-	-	-	-
Total	460	302	99	-	-	-

Table 17: Adjudicated amount as a percentage of claimed amount

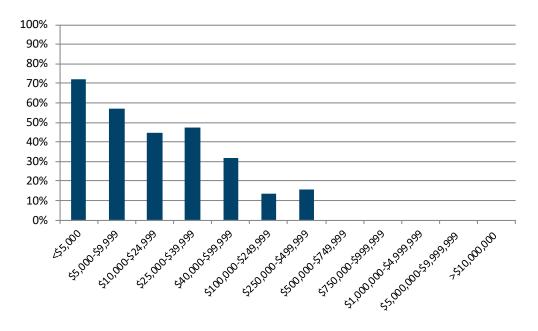


Figure 13: Adjudicated amount as a percentage of claimed amount

Adjudication fees

Total adjudication fees (excluding administration and adjudication certificate fees)

Adjudication Fees	Jul-Dec	Jan-Jun	FY	%
Application fees	0	0	0	0%
Adjudicator fees	874,088	767,210	1,641,298	100%
Adjudicator share	686,627	576,169	1,262,796	77%
ANA share	187,461	191,041	378,502	23%
Total	874,088	767,210	1,641,298	100%

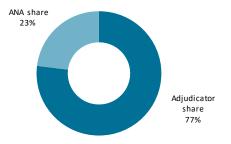


Table 18: Total adjudication fees (excluding administration and adjudication certificate fees)

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 responden t (\$)	Average fee as a % of the average claimed amount (\$)	Average payable by claimant (%)	Average payable by respondent (%)
<\$5,000	18	3,311	807	131	676	24.4%	16%	84%
\$5,000-\$9,999	21	7,208	1,061	240	821	14.7%	23%	77%
\$10,000-\$24,999	47	16,775	1,541	392	1,149	9.2%	25%	75%
\$25,000-\$39,999	40	32,152	3,086	325	2,762	9.6%	11%	89%
\$40,000-\$99,999	63	65,630	4,368	582	3,786	6.7%	13%	87%
\$100,000-\$249,999	66	153,915	7,623	2,084	5,539	5.0%	27%	73%
\$250,000-\$499,999	32	349,353	10,901	2,689	8,212	3.1%	25%	75%
\$500,000-\$749,999	5	585,269	12,204	1,320	10,884	2.1%	11%	89%
\$750,000-\$999,999	3	918,174	34,320	21,120	13,200	3.7%	62%	38%
\$1,000,000-\$4,999,999	6	1,725,323	17,960	5,608	12,353	1.0%	31%	69%
5,000,000-9,999,999	-	-	-	-	-	0.0%	-	-
> 10,000,000	1	24,554,952	43,660	0	43,660	0.2%	0%	100%
Total	302		-	-	-	-	-	

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

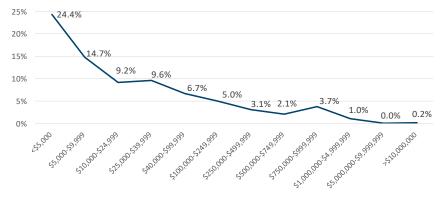


Figure 15: Average adjudicator fee as a percentage of the average claimed amount

Adjudicator fees

Adjudicator fees

Range of claimed amounts (\$)	Number	Total	Average	Minimum	Maximum
<5,000	47	14,518	309	0	1,480
5,000-9,999	31	20,157	695	0	1,891
10,000-24,999	76	69,342	937	0	4,255
25,000-39,999	51	117,283	2,394	0	6,000
40,000-99,999	88	265,601	3,125	0	13,068
100,000-249,999	83	487,873	6,023	0	26,550
250,000-499,999	41	337,925	8,448	0	26,400
500,000-749,999	8	61,018	7,627	0	26,400
750,000-999,999	5	102,960	20,592	0	63,360
1,000,000-4,999,999	7	107,762	15,395	0	26,400
5,000,000-9,999,999	-	-	-	-	-
> 10,000,000	2	56,860	28,430	13,200	43,660
NA	2	-	-	-	-
Total	441	1,641,298	-	-	-

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

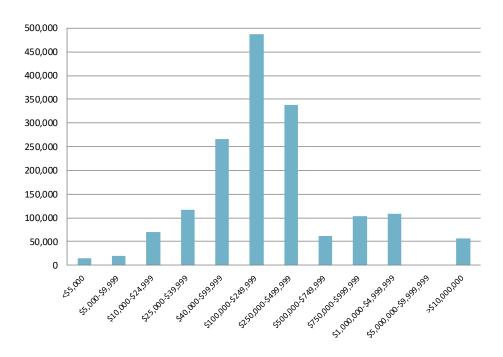


Figure 16: Total adjudicator fees by claimed amounts (completed applications)

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	47	14,518	2,354	12,165	50	259
5,000-9,999	31	20,157	4,564	15,594	157	538
10,000-24,999	76	69,342	17,635	51,707	238	699
25,000-39,999	51	117,283	12,338	104,945	252	2,142
40,000-99,999	88	265,601	37,997	227,604	447	2,678
100,000-249,999	83	487,873	133,357	354,516	1,646	4,377
250,000-499,999	41	337,925	83,364	254,561	2,084	6,364
500,000-749,999	8	61,018	6,600	54,418	825	6,802
750,000-999,999	5	102,960	63,360	39,600	12,672	7,920
1,000,000-4,999,999	7	107,762	33,646	74,116	4,807	10,588
5,000,000-9,999,999	-	-	-	-	-	-
> 10,000,000	2	56,860	6,600	50,260	3,300	25,130
NA	2	-	-	-	-	-
Total	441	1,641,298	401,814	1,239,484	-	-

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

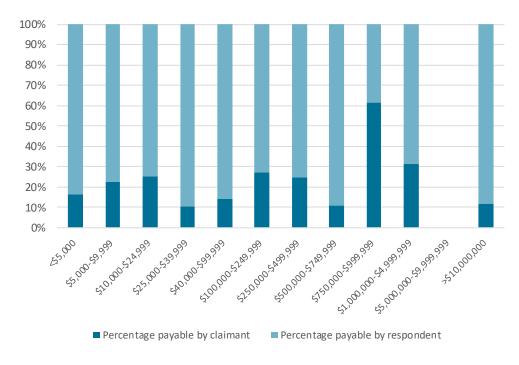


Figure 17: Proportion of adjudicator fees payable by claimant and respondent

Adjudication certificates

Adjudication certificates issued versus determinations

Adjudication certificates issued	Jul-Dec	Jan-Jun	FY
Applications determined	153	149	302
Adjudication certificates issued	48	43	91
Certificates issued versus determinations	31%	29%	30%

Table 22: Adjudication certificates issued

Adjudication certificates issued by adjudicated amount

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	3	6	9	10%
5,000-9,999	3	3	6	6%
10,000-24,999	7	11	18	20%
25,000-39,999	6	7	13	14%
40,000-99,999	12	8	20	22%
100,000-249,999	11	6	17	19%
250,000-499,999	4	2	6	7%
500,000-749,999	1	-	1	1%
750,000-999,999	1	-	1	1%
1,000,000-4,999,999	-	-	-	-
5,000,000-9,999,999	-	-	-	-
> 10,000,000	-	-	-	-
Total	48	43	91	100%

Table 23: Adjudication certificates by adjudicated amount

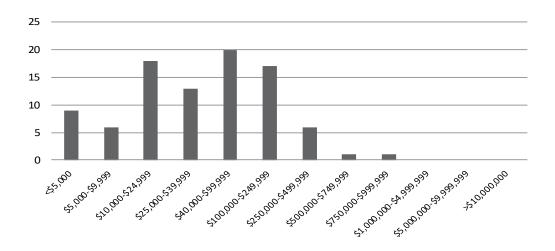


Figure 18: Number of adjudication certificates issued by adjudicated amount

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.

Adjudicate Today Pty Limited

Australian Solutions Centre Pty Ltd

Resolution Institute (Combining LEADR & IAMA)

Rialto Adjudications Pty Ltd

RICS Dispute Resolution Service

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