

Building and Construction Industry

Security of Payment Act 2002

Adjudication Activity Statistics

2020-2021 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 397 applications managed in this reporting period (this includes applications that were made prior to the reporting period where determinations were made during this reporting period). This report provides statistical reporting on these applications.

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) is intended to provide contractors with a quick, inexpensive and non-legalistic way to recover money owed to them and to resolve payment disputes. 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 2020-2021 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. Information requested by the VBA may include information regarding the nomination of adjudicators, appointment of review adjudicators, the assessment of eligibility of persons to be adjudicators, the fees charged by the ANA and the fees charged by adjudicators. This information allows the VBA to monitor whether the adjudication process is meeting the object of the SOP Act.

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

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

Applications

APPLICATION STATISTICS

Applications and status

Applications	Jul-Dec	Jan-Jun	FY	%
Applications managed	229	168	397	
Applications determined	134	107	241	61%
Applications not determined	95	61	156	39%

Table 1: Application statistics for 2020-21 financial year

Reason application not determined

Reason not determined	Jul-Dec	Jan-Jun	FY	%
Settled by parties	36	17	53	34%
Withdrawn by claimant	39	28	67	43%
No jurisdiction	0	1	1	1%
Timed out	12	6	18	11%
Other	8	3	9	7%
Not yet determined	0	6	6	4%
Total	95	61	156	100%

Table 2: Reason application not determined for 2020-21 financial year

Applications determined as having no jurisdiction

	Jul-Dec	Jan-Jun	FY	%
Jurisdiction	117	87	204	85%
No jurisdiction	17	20	37	15%

Table 3: Applications determined as having no jurisdiction for 2020-21 financial year

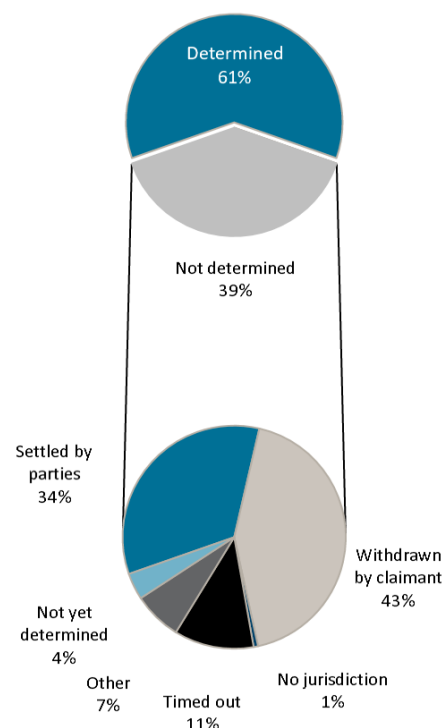


Figure 1: Applications determined vs not determined and reason application not determined for 2020-21 financial year

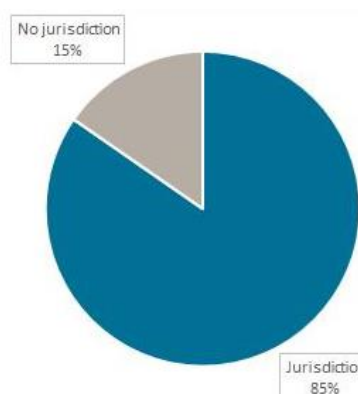


Figure 2: Applications as having no jurisdiction for 2020-21 financial year

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	81	198	50%
Section 18(1)(a)(ii)	8	8	16	4%
Section 18(1)(b)	104	79	183	46%
Total	229	168	397	100%

Table 4: Applications by section of the SOP Act for 2020-21 financial year

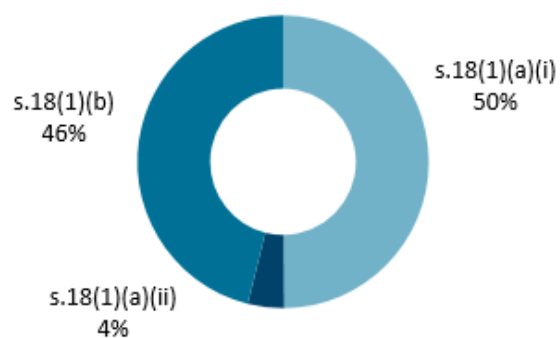


Figure 3: Section of SOP Act under which application made for 2020-21 financial year

Section 18(2) notices (section 18(1)(b) applications)

	Jul-Dec	Jan-Jun	FY
Section 18(2) notice issued	99	73	172

Table 5: Section 18(2) notices for 2020-21 financial year

APPLICATIONS BY CLAIMANT AND RESPONDENT TYPE

Claimant statistics

Claimant type	Jul-Dec	Jan-Jun	FY	%
Consultant	12	3	15	4%
Head contractor	35	32	67	17%
Major subcontractor	56	34	90	23%
Manufacturer of building materials or components	2	0	2	1%
Project manager	3	4	7	2%
Supplier	11	2	13	2%
Trade subcontractor	110	93	203	51%
Total	229	168	397	100%

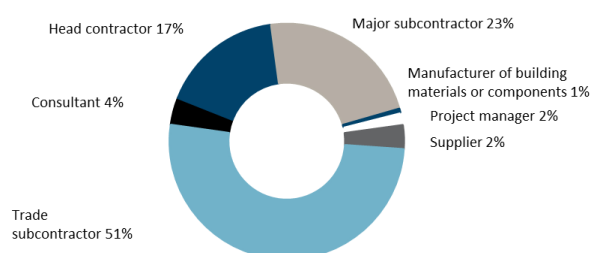


Figure 4: Percentage of applications by Claimant type for 2020-21 financial year

Table 6: Claimant type for applications during 2020-21 financial year

Respondent statistics

Respondent type	Jul-Dec	Jan-Jun	FY	%
Consultant	1	1	2	1%
Developer	61	47	108	27%
Head contractor	134	103	237	60%
Major subcontractor	25	16	41	10%
Manufacturer of building materials or components	1	0	1	0%
Other	1	0	1	0%
Project manager	2	0	2	1%
Supplier	0	0	0	0%
Trade subcontractor	4	1	5	1%
Total	229	168	397	100%

Table 7: Respondent type for applications during 2020-21 financial year

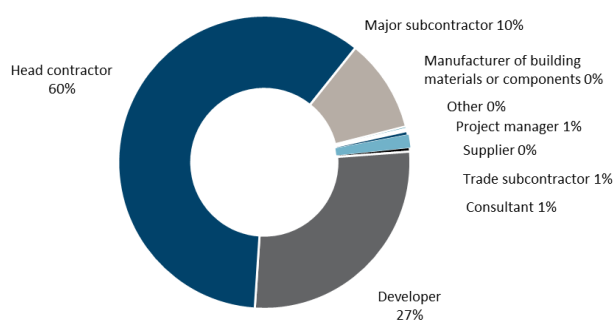


Figure 5 Percentage of applications by Respondent type for 2020-21 financial year

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 of applications

Region	Jul-Dec	Jan-Jun	FY	%
Ballarat	5	1	6	2%
Geelong	6	4	10	3%
Hume	4	2	6	2%
Latrobe - Gippsland	4	1	5	1%
Melbourne - Inner	34	32	66	17%
Melbourne - Inner East	20	22	42	11%
Melbourne - Inner South	41	30	71	18%
Melbourne - North East	14	12	26	7%
Melbourne - North West	16	16	32	8%
Melbourne - Outer East -	5	9	14	3%
Melbourne - South East -	19	8	27	7%
Melbourne - West	29	20	49	12%
Mornington Peninsula	11	3	14	3%
North West-	7	2	9	2%
Shepparton	1	0	1	0%
South Australia - South East	1	0	1	0%
Various	4	5	9	2%
Warrnambool and South West	8	1	9	2%
Total	229	168	397	100%

Table 8: State-wide distribution of applications for 2020-21 financial year

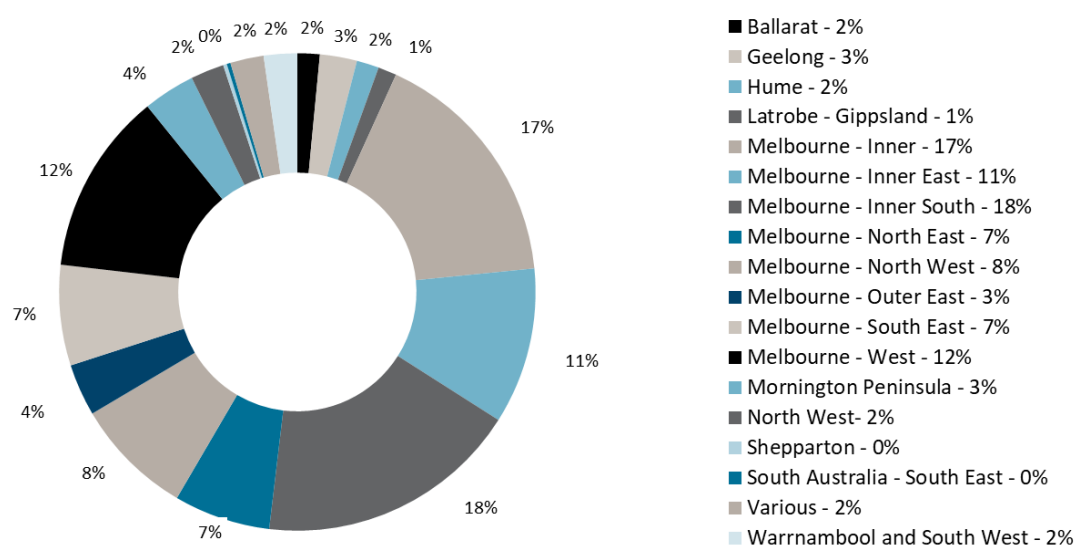


Figure 6 State-wide distribution of applications for 2020-21 financial year

Inner-Melbourne distribution of applications

Inner-Melbourne	Jul-Dec	Jan-Jun	FY	%
Melbourne - Inner	34	32	66	37%
Brunswick - Coburg	2	2	4	2%
Essendon	3	3	6	3%
Melbourne City	10	10	20	11%
Port Phillip	8	7	15	9%
Stonnington - West	5	3	8	4%
Yarra	6	7	13	7%
Melbourne - Inner East	20	22	42	23%
Boroondara	15	13	28	16%
Whitehorse - West	5	9	14	8%
Melbourne - Inner South	41	30	71	40%
Bayside	8	12	20	11%
Glen Eira	9	5	14	8%
Kingston	15	7	22	12%
Stonnington - East	9	6	15	9%
Total	95	84	179	100%

Table 9: Inner-Melbourne distribution of applications for 2020-21 financial year

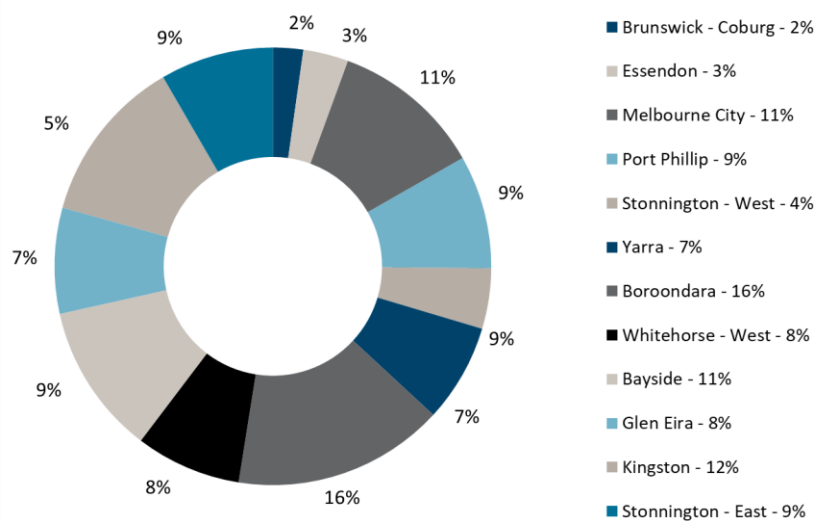


Figure 7: Inner-Melbourne distribution of applications for 2020-21 financial year

Claimed amounts

Claimed amount statistics

Claimed amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of claimed amount	110,664,083.51	109,217,039.90	219,881,123.40
Maximum claimed amount	19,278,452.96	38,458,627.07	38,458,627.07
Minimum claimed amount	680.00	487.50	487.50
Average claimed amount	485,368.79	653,994.25	556,661.07

Table 10: Claimed amount statistics for 2020-21 financial year

Number of claims by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	27	26	53	13%
5,000-9,999	23	13	36	9%
10,000-24,999	38	26	64	16%
25,000-39,999	18	14	32	8%
40,000-99,999	38	34	72	18%
100,000-249,999	37	30	67	17%
250,000-499,999	20	10	30	7%
500,000-749,999	5	1	6	2%
750,000-999,999	2	5	7	2%
1,000,000-4,999,999	17	5	22	6%
5,000,000-9,999,999	3	1	4	1%
>10,000,000	1	3	4	1%
Total	229	168	397	100%

Table 11: Number of claims by claim range for 2020-21 financial year

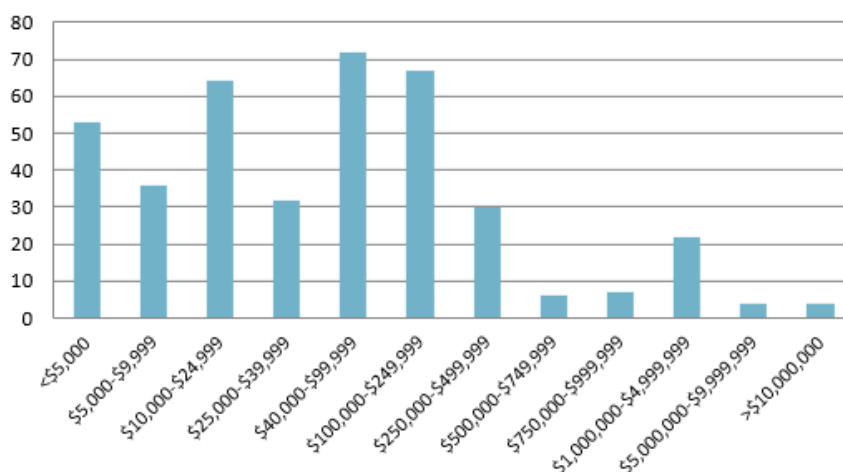


Figure 8: Number of claims by claim range for 2020-21 financial year

Total sum of claimed amounts by claim range

Range of claimed amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	70,130	69,037	139,167	0%
5,000-9,999	172,279	90,794	263,072	0%
10,000-24,999	623,904	436,724	1,060,628	1%
25,000-39,999	557,259	433,059	990,318	0%
40,000-99,999	2,480,998	2,222,514	4,703,512	2%
100,000-249,999	5,376,189	4,662,196	10,038,385	5%
250,000-499,999	6,955,783	4,256,463	11,212,246	5%
500,000-749,999	3,234,770	554,527	3,789,296	2%
750,000-999,999	1,654,518	4,398,049	6,052,568	3%
1,000,000-4,999,999	48,542,725	15,816,039	64,358,764	29%
5,000,000-9,999,999	21,717,075	9,837,561	31,554,636	14%
>10,000,000	19,278,453	66,440,077	85,718,530	39%
Total	110,664,084	109,217,040	219,881,123	100%

Table 12: Total sum of claimed amounts by claim range for financial year 2020-21

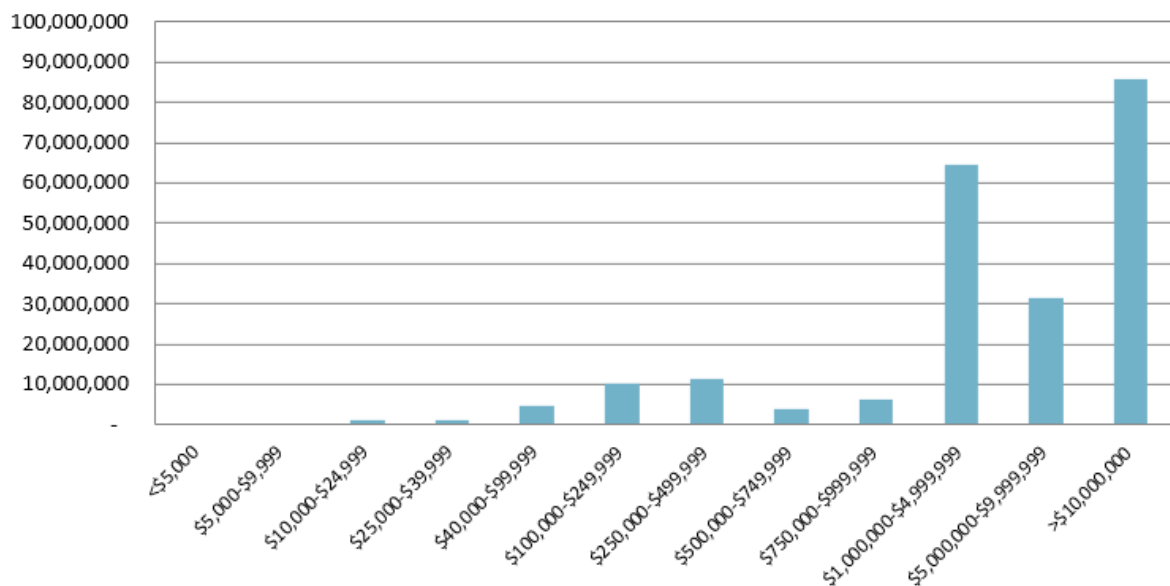


Figure 9: Total sum of claimed amounts by claim range for 2020-21 financial year

Adjudicated amounts

Adjudicated amount statistics

Adjudicated amounts	Jul-Dec \$	Jan-Jun \$	FY \$
Sum of adjudicated amounts	26,482,590.90	52,645,823.17	79,128,414.07
Maximum adjudicated amount	8,211,670.00	38,458,627.07	38,458,627.07
Minimum adjudicated amount	0.00	0.00	0.00
Average adjudicated amount	197,631.28	487,461.33	326,976.92

Table 13: Adjudicated amount statistics for 2020-21 financial year

Number of adjudicated matters by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	45	50	95	39%
5,000-9,999	13	6	19	8%
10,000-24,999	16	13	29	12%
25,000-39,999	9	4	13	6%
40,000-99,999	22	16	38	16%
100,000-249,999	14	9	23	10%
250,000-499,999	9	2	11	5%
500,000-749,999	1	0	1	0%
750,000-999,999	1	4	5	2%
1,000,000-4,999,999	3	2	5	2%
5,000,000-9,999,999	1	0	1	0%
>10,000,000	0	1	1	0%
Total	134	107	241	100%

Table 14: Number of adjudicated matters by adjudicated amount range for 2020-21 financial year

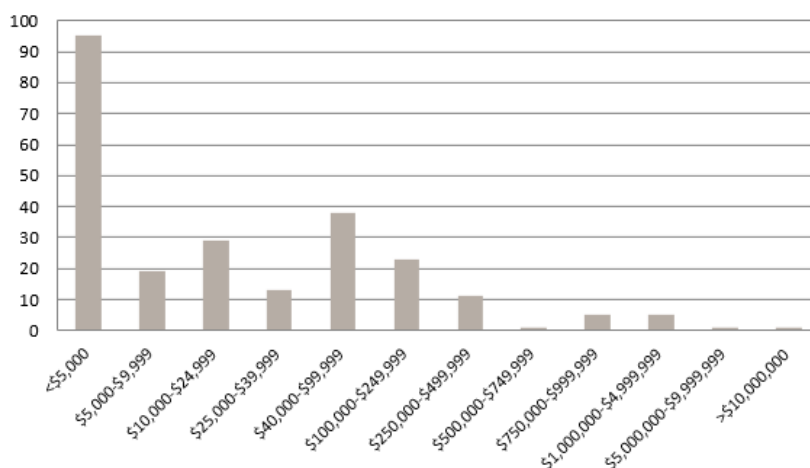


Figure 10: Number of adjudicated matters by adjudicated amount range for 2020-21 financial year

Total sum of adjudicated amounts by adjudicated amount range

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	28,899	32,502	61,401	0%
5,000-9,999	103,254	41,107	144,361	0%
10,000-24,999	245,645	219,323	464,967	1%
25,000-39,999	293,835	138,719	432,554	1%
40,000-99,999	1,437,787	995,031	2,432,818	3%
100,000-249,999	2,067,644	1,364,065	3,431,708	4%
250,000-499,999	3,049,489	608,582	3,658,071	5%
500,000-749,999	605,000	502,220	1,107,220	1%
750,000-999,999	949,309	3,363,350	4,312,658	5%
1,000,000-4,999,999	9,490,061	6,922,297	16,412,358	21%
5,000,000-9,999,999	8,211,670	0.00	8,211,670	10%
>10,000,000	0.00	38,458,627	38,458,627	49%
Total	26,482,591	52,645,823	79,128,414	100%

Table 15: Total sum of adjudicated amounts by adjudicated amount range for 2020-21 financial year

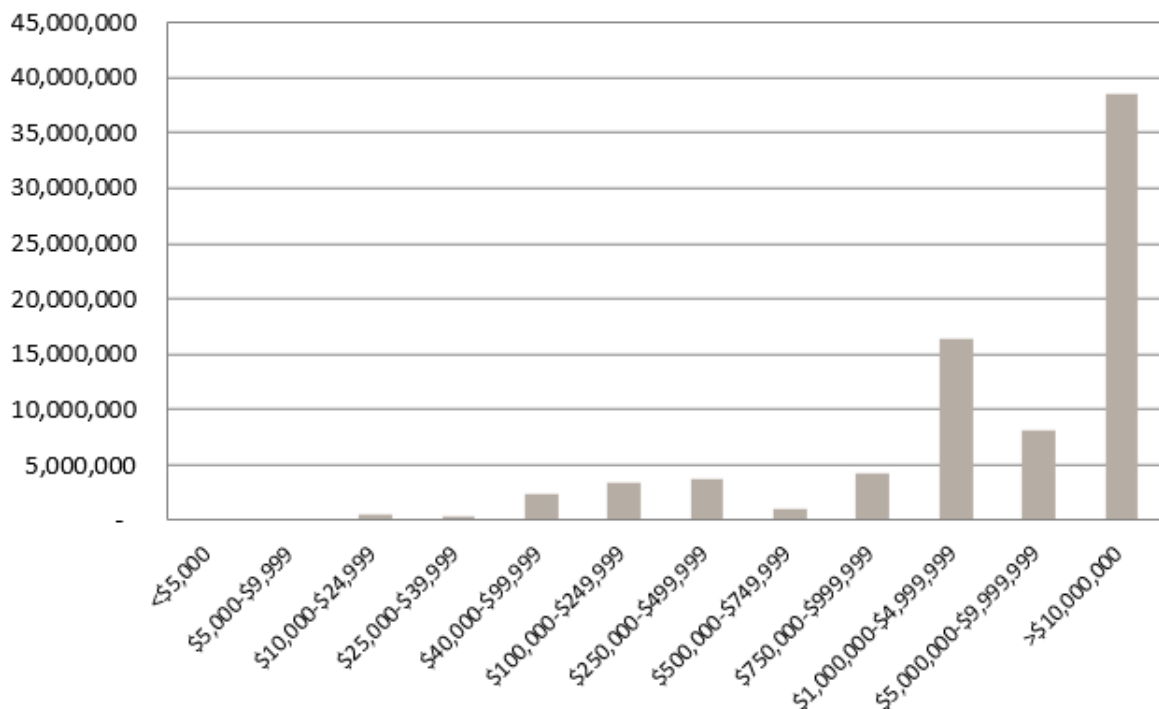


Figure 11: Total sum of adjudicated amounts by adjudicated amount range for 2020-21 financial year

Claimed amounts versus adjudicated amounts

Number of claimed matters versus adjudicated matters by claim range

Range of amounts (\$)	Jul-Dec		Jan-Jun		FY	
	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount
<5,000	27	45	26	50	53	95
5,000-9,999	23	13	13	6	36	19
10,000-24,999	38	16	26	13	64	29
25,000-39,999	18	9	14	4	32	13
40,000-99,999	38	22	34	16	72	38
100,000-249,999	37	14	30	9	67	23
250,000-499,999	20	9	10	2	30	11
500,000-749,999	5	1	1	0	6	1
750,000-999,999	2	1	5	4	7	5
1,000,000-4,999,999	17	3	5	2	22	5
5,000,000-9,999,999	3	1	1	0	4	1
>10,000,000	1	0	3	1	4	1
Total	229	134	168	107	397	241

Table 16: Number of claimed matters versus adjudicated matters by claim amount range for 2020-21 financial year

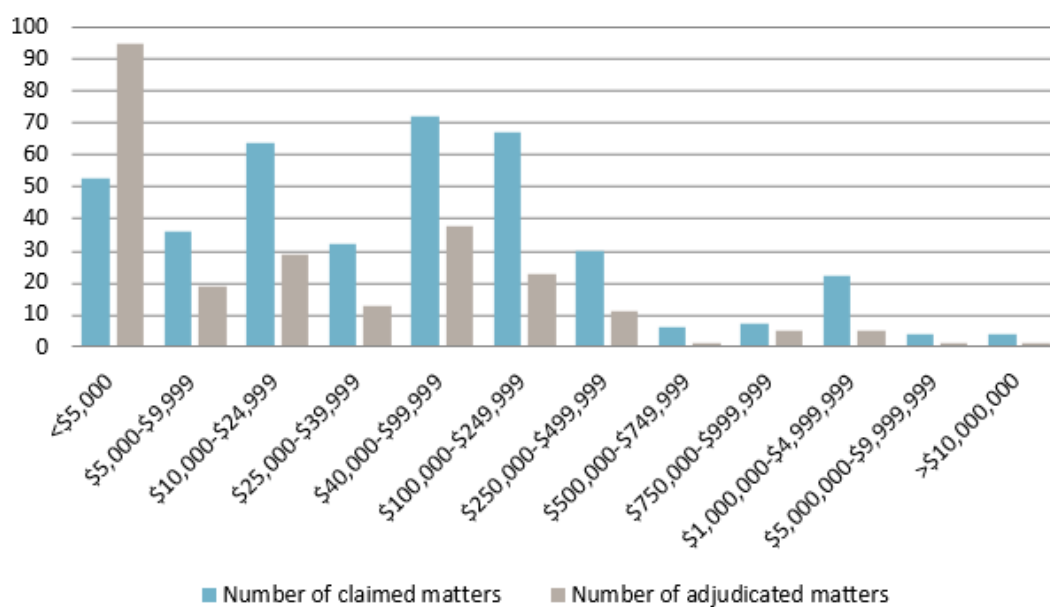


Figure 12: Number of claimed matters versus adjudicated matters by claim range for 2020-21 financial year

Total sum of claimed amounts versus total sum of adjudicated amounts by claim range

Range of amounts (\$)	Jul-Dec		Jan-Jun		FY	
	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount	Claimed amount	Adjudicated amount
<5,000	70,130	28,899	69,037	32,502	139,167	61,401
5,000-9,999	172,279	103,254	90,794	41,107	263,072	144,361
10,000-24,999	623,904	245,645	436,724	219,323	1,060,628	464,967
25,000-39,999	557,259	293,835	433,059	138,719	990,318	432,554
40,000-99,999	2,480,998	1,437,787	2,222,514	995,031	4,703,512	2,432,818
100,000-249,999	5,376,189	2,067,644	4,662,196	1,364,065	10,038,385	3,431,708
250,000-499,999	6,955,783	3,049,489	4,256,463	608,582	11,212,246	3,658,071
500,000-749,999	3,234,770	605,000	554,527	502,220	3,789,296	1,107,220
750,000-999,999	1,654,518	949,309	4,398,049	3,363,350	6,052,568	4,312,658
1,000,000-4,999,999	48,542,725	9,490,061	15,816,039	6,922,297	64,358,764	16,412,358
5,000,000-9,999,999	21,717,075	8,211,670	9,837,561	0.00	31,554,636	8,211,670
>10,000,000	19,278,453	0.00	66,440,077	38,458,627	85,718,530	38,458,627
Total	110,664,084	26,482,591	109,217,040	52,645,823	219,881,123	79,128,414

Table 17: Total sum of claimed amounts versus total sum of adjudicated amounts by claim range for 2020-21 financial year

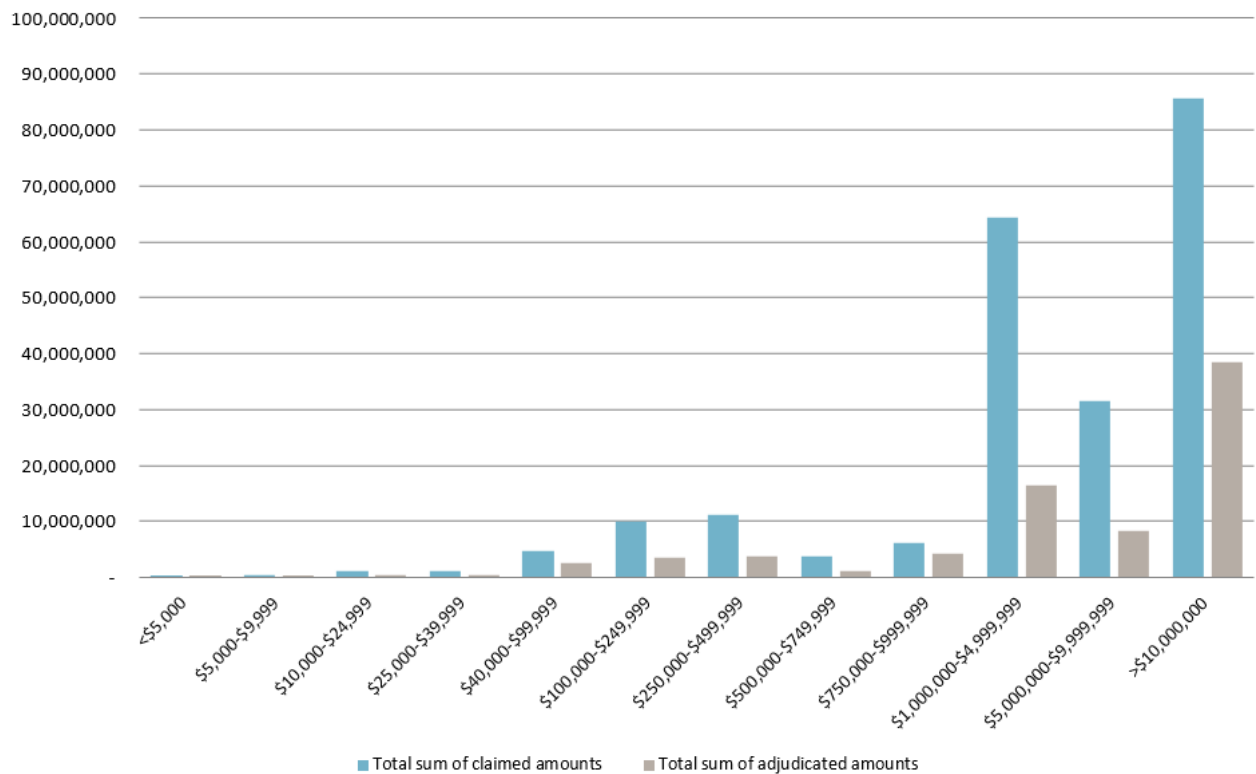


Figure 13 Total sum of claimed amounts versus total sum of adjudicated amounts by claim range for 2020-21 financial year

Adjudicated amount as a percentage of claimed amount

Adjudicated amount as a percentage of claimed amount by claim range

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	53	95	16	17%	2,784	2,115
5,000-9,999	36	19	11	58%	7,707	4,814
10,000-24,999	64	29	15	52%	16,506	9,321
25,000-39,999	32	13	7	54%	30,931	14,238
40,000-99,999	72	38	11	29%	67,493	39,901
100,000-249,999	67	23	4	17%	155,798	87,921
250,000-499,999	30	11	1	9%	380,303	141,605
500,000-749,999	6	1	1	100%	605,000	605,000
750,000-999,999	7	5	2	40%	831,055	373,768
1,000,000-4,999,999	22	5	1	20%	2,877,635	1,062,478
5,000,000-9,999,999	4	1	1	0%	7,888,659	3,124,494
>10,000,000	4	1	0	0%	26,630,631	20,716,089
Total	397	241	70			

Table 18: Adjudicated amount as a percentage of claimed amount by claim range for 2020-21 financial year

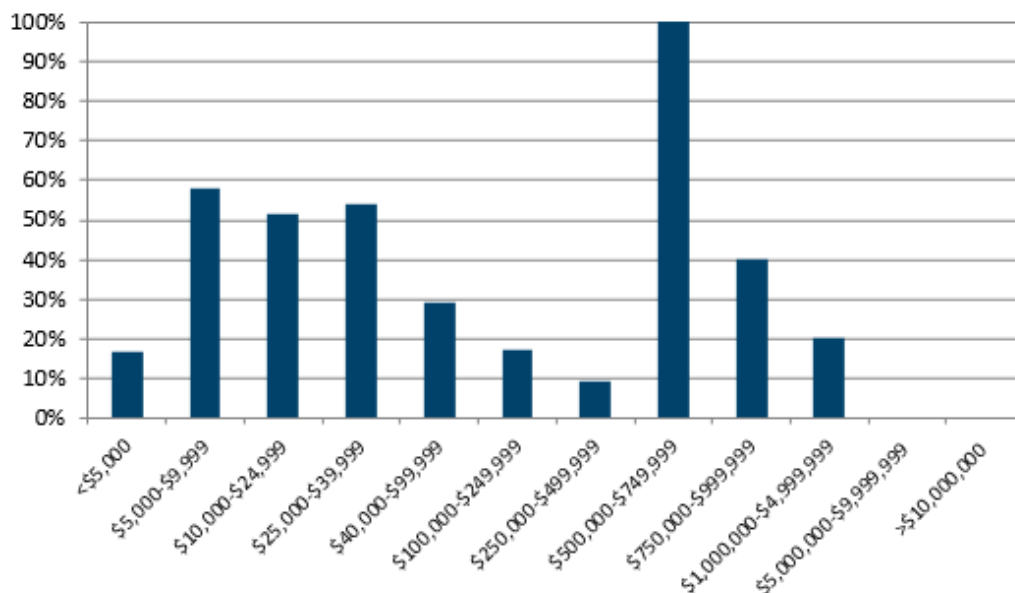


Figure 14: Adjudicated amount as a percentage of claimed amount by claim range for 2020-21 financial year

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	329,010	147,175	476,186	100%
Adjudicator share	219,340	98,052	317,393	67%
ANA share	109,670	49,123	158,793	33%
Total	329,010	147,175	476,186	100%

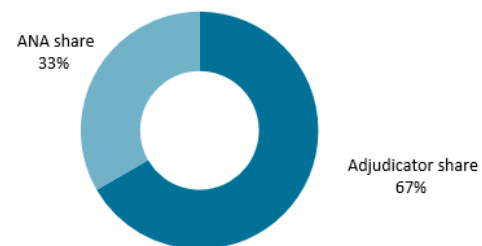


Figure 15: Distribution of Adjudicator fees between Adjudicator and ANA

Table 19: Total adjudication fees (excluding administration and adjudication certificate fees)

Average adjudicator fee as a percentage of the average claimed amount by claim range

Range of claimed amounts (\$)	Number of claimed matters	Average claimed amount (\$)	Average adjudicator fee (\$)	Average adjudicator fee payable by claimant (\$)	Average adjudicator fee payable by respondent (\$)	Average fee as a % of the average claimed amount (\$)	Average payable by claimant (%)	Average payable by respondent (%)
<5,000	25	2,784	1,159	159	1,257	41.6%	14%	108%
5,000-9,999	22	7,707	953	387	672	12.4%	41%	71%
10,000-24,999	44	16,506	1,839	722	1,117	11.1%	39%	61%
25,000-39,999	20	30,931	2,343	729	1,875	7.6%	31%	80%
40,000-99,999	51	67,493	3,538	1,276	2,388	5.2%	36%	67%
100,000-249,999	35	155,798	5,056	1,644	3,412	3.2%	33%	67%
250,000-499,999	20	380,303	13,518	4,927	8,591	3.6%	36%	64%
500,000-749,999	1	605,000	15,136	0	15,136	2.5%	0%	100%
750,000-999,999	4	831,055	0	0	0	0.0%	0%	0%
1,000,000-4,999,999	13	2,877,635	8,455	0	8,455	0.3%	0%	100%
5,000,000-9,999,999	4	7,888,659	15,545	0	15,545	0.0%	0%	100%
>10,000,000	2	26,630,631	14,318	0	14,318	0.1%	0%	100%
Total	241	598,504	3,843	1,141	2,890			

Table 20: Average adjudicator fee as a percentage of the average claimed amount by claim range (determined applications only) for 2020-21 financial year

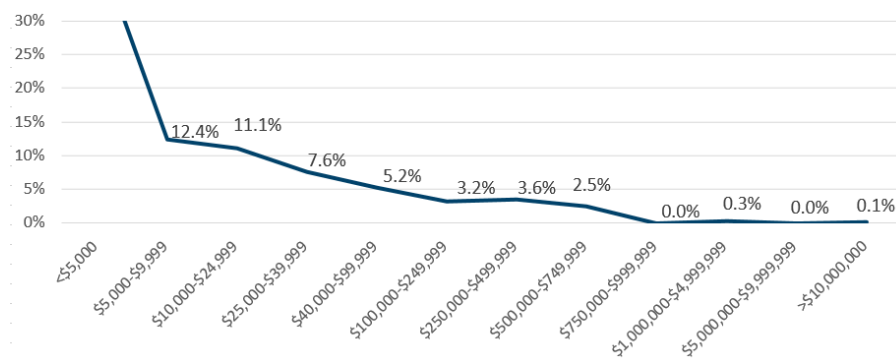


Figure 16: Average adjudicator fee as a percentage of the average claimed amount by claim range (determined applications only) for 2020-21 financial year

Adjudicator fees

Total Adjudicator fees for completed applications by claim range

Range of claimed amounts (\$)	Number	Total	Average	Minimum	Maximum
<5,000	21	12,747	708	0	3,109
5,000-9,999	15	9,530	635	0	2,045
10,000-24,999	30	42,295	1,692	0	3,477
25,000-39,999	17	24,665	1,897	0	3,239
40,000-99,999	36	104,028	3,152	0	8,182
100,000-249,999	27	63,798	3,753	0	13,602
250,000-499,999	11	99,020	9,902	0	25,364
500,000-749,999	3	15,989	7,994	852	15,136
750,000-999,999	1	0	0	0	0
1,000,000-4,999,999	4	74,250	18,563	4,091	48,886
5,000,000-9,999,999	1	15,545	15,545	15,545	15,545
>10,000,000	2	14,318	14,318	14,318	14,318
Total	168	476,186			

Table 21: Total Adjudicator fees for completed applications by claim range for 2020-21 financial year

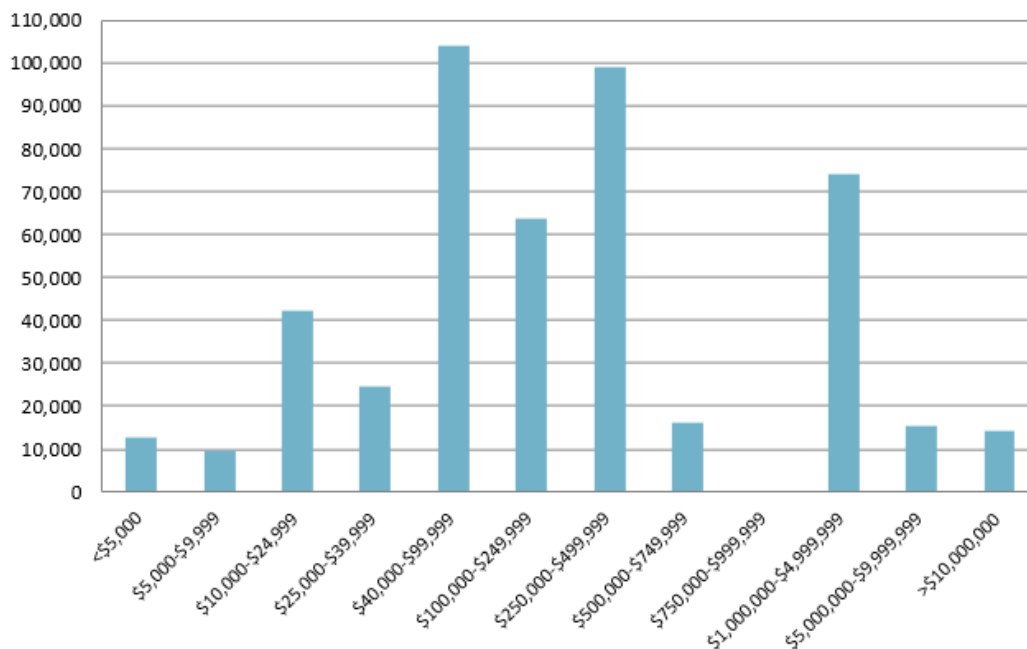


Figure 17: Total Adjudicator fees for completed applications by claim range for 2020-21 financial year

Apportionment of adjudicator fees between claimants and respondents

Range of claimed amounts (\$)	Number of applications	Total adjudicator fee (\$)	Total payable by claimant (\$)	Total payable by respondent (\$)	Average payable by claimant (\$)	Average payable by respondent (\$)
<5,000	21	12,747	1,432	11,315	159	1,257
5,000-9,999	15	9,530	3,481	6,052	387	672
10,000-24,999	30	42,295	16,609	25,695	722	1,117
25,000-39,999	17	24,665	7,790	16,875	779	1,688
40,000-99,999	36	104,028	37,171	66,857	1,282	2,305
100,000-249,999	27	63,798	26,267	37,530	1,876	2,681
250,000-499,999	11	99,020	37,299	61,722	4,144	6,858
500,000-749,999	3	15,989	852	15,136	426	7,568
750,000-999,999	1	0	0	0	0	0
1,000,000-4,999,999	4	74,250	24,443	49,807	6,111	12,452
5,000,000-9,999,999	1	15,545	0	15,545	0	15,545
>10,000,000	2	14,318	0	14,318	0	14,318
Total	168	476,186	155,344	320,853	1,399	2,891

Table 22: Adjudicator fees payable for completed applications by claimant and respondent based on claim range for 2020-21 financial year

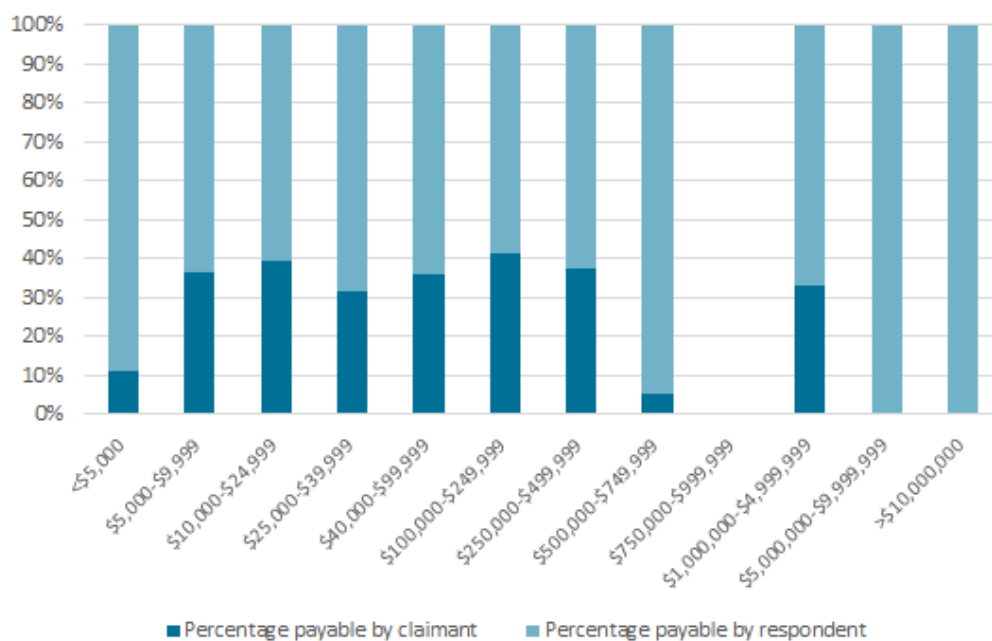


Figure 18: Apportionment of adjudicator fees payable for completed applications by claimant and respondent for claim range for 2020-21 financial year

Adjudication certificates

Number of adjudication certificates issued versus number of determinations

Adjudication certificates issued	Jul-Dec	Jan-Jun	FY
Applications determined	134	107	241
Adjudication certificates issued	23	7	30
Certificates issued versus determinations	17%	7%	12%

Table 23: Number of Adjudication certificates issued versus number of determinations for 2020-21 financial year

Adjudication certificate fees

Adjudication certificate fees (\$)	Jul-Dec	Jan-Jun	FY
Total Adjudication certificate fees	7,750	2,900	10,650
Average Adjudication certificate fee	337	414	355

Table 24: Adjudication certificate fees for 2020-21 financial year

Number of adjudication certificates issued by range of adjudicated amount

Range of adjudicated amounts (\$)	Jul-Dec	Jan-Jun	FY	%
<5,000	4	0	4	13%
5,000-9,999	1	0	1	4%
10,000-24,999	5	2	7	23%
25,000-39,999	4	1	5	17%
40,000-99,999	5	2	7	23%
100,000-249,999	0	2	2	7%
250,000-499,999	3	0	3	10%
500,000-749,999	0	0	0	0%
750,000-999,999	1	0	1	3%
1,000,000-4,999,999	0	0	0	0%
5,000,000-9,999,999	0	0	0	0%
>10,000,000	0	0	0	0%
Total	23	7	30	100%

Table 25: Number of adjudication certificates by range of adjudicated amount for 2020-21 financial year

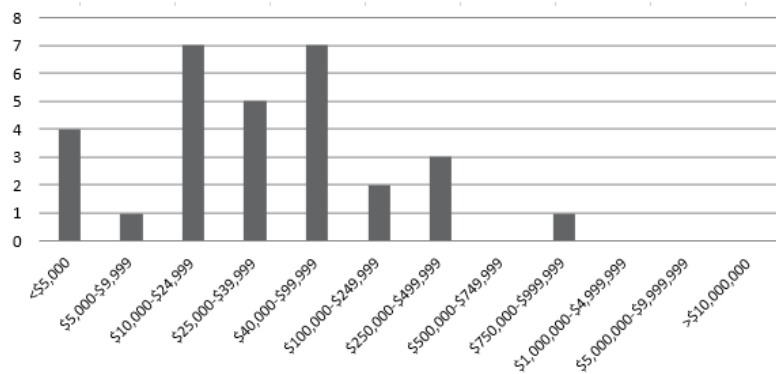


Figure 19: Number of adjudication certificates issued by adjudicated amount for 2020-21 financial year

List of Authorised Nominating Authorities

The organisations below were authorised as Authorised Nominating Authorities under section 42 of the SOP Act during the 2020-2021 financial year.

Adjudicate Today Pty Limited

Resolution Institute

Rialto Adjudications Pty Ltd

RICS Dispute Resolution Service
