We are pleased to announce that the NSW Department of Finance & Service and UNSW have entered a research agreement for the establishment of the Adjudication Research & Reporting Unit (ARRU), which is to be hosted by the Faculty of the Built Environment. Total funding by the NSW Department of Finance & Services is $234,000 over 5 years.

The purpose of the ARRU is to undertake socio-legal research in the field of security of payment in the building and construction industry. The ARRU will also generate periodic reports for the Department of Finance & Services on the progress of the statutory adjudication process created under the Building and Construction Industry Security of Payment Act 1999 (NSW). The main thrust of the Security of Payment Act is to reform payment behaviour in the construction industry. New South Wales was the first jurisdiction in Australia to address the security of payment problem in the construction industry through the introduction of this type of industry-specific legislation. As at the end of 2009, all Australian States and Territories have introduced comparable legislation. Comparable legislation also exists in the UK, Singapore, New Zealand, Ireland, and the Isle of Man.

The founding Director of the ARRU, Michael Brand, comments:

“The Australian construction industry is a big industry in many ways. The security of payment problem impinges on a great number of businesses and on even greater numbers of people. It is recognised as a problem of national significance. The establishment of the ARRU is, I believe, a significant step toward extending the dialogue around this complex and contentious issue. My hope is that this initiative will go some way towards creating, for the first time in Australia, a necessary and identifiable focal point for research and knowledge creation in the field of security of payment in the construction industry – not only on key points of interest to scholars and law reformists, but in areas of practical import to the industry”.

The ARRU has just entered the start-up phase. Further information will be provided closer to the launch of the ARRU website expected later this year.