Submission No.42



LOWRY CONSULTING PTY LTD

PO 2623 Nerang B.C. Qld. 4211



16 June 2014 The Research Director Transport, Housing and Local Government Committee Parliament House George Street Brisbane 4000

By email :- thlgc@parliament.qld.gov.au

Dear Director,

Transport, Housing and Local Government Committee Submission on the Construction Industry Payment Amendments Bill 2014

Lowry Consulting is pleased to make this submission to Transport, Housing and Local Government Committee (THLGC) in response to its invitation with respect to Building and Construction Industry Payments Amendments Bill 2014.

The Bill proposes to establish a single Authorised Nominating Authority (ANA) which will be operated by Queensland Building and Construction Commission (QBCC), replacing a number of external ANA's currently performing this role. In addition, the appointment of adjudicators, the adjudication process, provision of information and key timeframes for Claimants and Respondents is addressed.

Estimated cost for government implementation. The Amendment Bill Notes indicate that there will be no direct financial impacts on the State arising from the proposed amendments to the Act. From our experience, and the experience of other commercial ANA's, the procedures and tasks performed by current Authorised Nominating Authorities typically exceed the mandatory or legislated requirements. In our view, and by our calculations, the potential facility and human resources to duplicate these within a new single unit may be underestimated. Extrapolating from our experience and the experience of other ANA's, an additional human resource requirement of up to ten consultants will be required for the predicted workload, with the attendant facilities and systems, using existing communications and data technologies.

Commercial ANA's have provided a background service to the Government maintaining accurate records of adjudication data and reporting to the BCIPA on a daily basis. The BCIPA will become responsible for this role. If the new Authority passes this responsibility to adjudicators, as proposed, it will significantly fragment the maintaining of documenets and information. Up to now, the BCIPA has undertaken annual audits of ANA's to ensure the accuracy of maintained data. This process will be expanded between 10 and 50 times unless the Authority has a method to consolidate adjudication data.

Lowry Consulting is unique in that it has provided services as both an Authorised Nominating Authority (AIQSANA) as a recognised 'active' Adjudicator (John Lowry), and therefore has comprehensive understanding and experience in both roles.

To accomplish the above ANA role Lowry Consulting developed a computer based system, the Australian Adjudication System (AAS), to improve the efficiency and productivity of it's ANA and adjudicators in Queensland. The Australian Adjudication System is designed to facilitate all aspects of adjudication under the the Building and construction Industry Payments Act 2004 (Qld), including adjudicator selection, communications, time/date stamping, billing, document and data management and retention and reporting. It can thus assist adjudicators, the parties to an adjudication and the nominating authority to meet mandatory timeframes and provide an automated mechanism for the control of correspondence, notices and documents. It operates as a Queensland cloud-based system that offers unhindered access to users and adjudicators throughout the State with no special hardware or software requirements.

This proven Adjudication system is available for review by the Committee and will show how assistance in the enforcement of the Act can be maintained and changes to requirements and timeframes can be unilaterally applied. Of importance, AAS is up and running and available for use, in its entirety, by the QBCC before the implementation date of the proposed amendments - September 1st 2014. We can help ensure that the change to a single adjudication nominating authority is seamless, efficient and effective.

Implementation of AAS meets the Queensland Government's ICT Policy and Strategy in that it can be provided as a "Software as a Service " facility (SaaS) to QBCC. For a Government based ANA it reduces the overall costs of implementation of the change to a single nominating authority in that no Systems Development is required, together with the associated substantial maintenance and support that this involves, and ensures that immediate reductions in the costs of operating as the sole ANA are realised.

Lowry Consulting is requesting that, based on the impending commencement date of the BCIPA Amendment (September 1st 2014), the Committee permit it to make a formal presentation to members to show how proposed Amendments that they are considering can be implemented, effectively and economically.

I trust that this submission will meet with your approval and that of the Committee. We look forward to your response and presenting AAS to members.

Yours Sincerely,



John Lowry Managing Director Lowry Consulting

Attachment - Brief Presentation to THLGC - Australian Adjudication System



Details of an available Online Adjudication System that meets the future requirements of BCIPA 2014 as amended

June 2014

AAS

AUSTRALIAN ADJUDICATION SYSTEM

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AAS AUSTRALIAN ADJUDICATION SYSTEM

BACKGROUND -

- Developed in Queensland and in operation for 7 years.
- Comprehensive System Software to facilitate all functions of Dispute Resolution in the Queensland Building and Construction Industry.
- System meets all requirements of :
 - QBCC and BCIPA (Building and Construction Industry Payments Act)
 - Any Authorised Nominating Authority
 - Any Adjudicator involved in Dispute Resolution
 - Courts of Law

AAS SYSTEM APPLICATION

Proven operation with an Authorised Nominating Authority (ANA)

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- In use in an Adjudicator environment for many years.
- Service support and development is Gold Coast based and AAS is operational as a Web based service in Queensland
- As the current ANA's are to be replaced by a central QBCC Authorised Nominating Authority in September 2014, the proven AAS service and its key ANA functionality is available to QBCC for its immediate use.
- In addition the AAS service is naturally available to all registered Adjudicators.

AAS SYSTEM APPLICATION

- AAS is available and operational and can be implemented by QBCC by September 2014. This includes :
 - System tailoring with QBCC presentation portal
 - AAS can remain web based or moved to internal QBCC server

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- QBCC Information base introduced alongside AAS service
- Adjudicator introduction to system services and operation
- All required Data Transfers to and from and QBCC / BCIPA 's current (or new) systems software can be accommodated with the use of supporting software. In many cases these transfers and updates can be done automatically. Any regulatory amendments can be implemented.



AAS SYSTEM BENEFITS INCLUDE

- Implementation of AAS as its ANA service offers potential savings calculated in excess of \$300,000 per year for the new QBCC based ANA.
- It is also proposed that QBCC make AAS available to all Queensland Adjudicators on a fee basis –
 - QBCC could include this availability as part of the Adjudicator's Annual Registration fee.
 - In addition, as a fee levied on a per Adjudication basis.
- This proposal means that the AAS Service can be supplied to QBCC and implemented as Software as a Service (SaaS) - in accordance with preferred Queensland Government IT Strategy. If implemented as proposed it could effectively means that its provision is made at no resultant cost to QBCC.



AAS SYSTEM BENEFITS INCLUDE

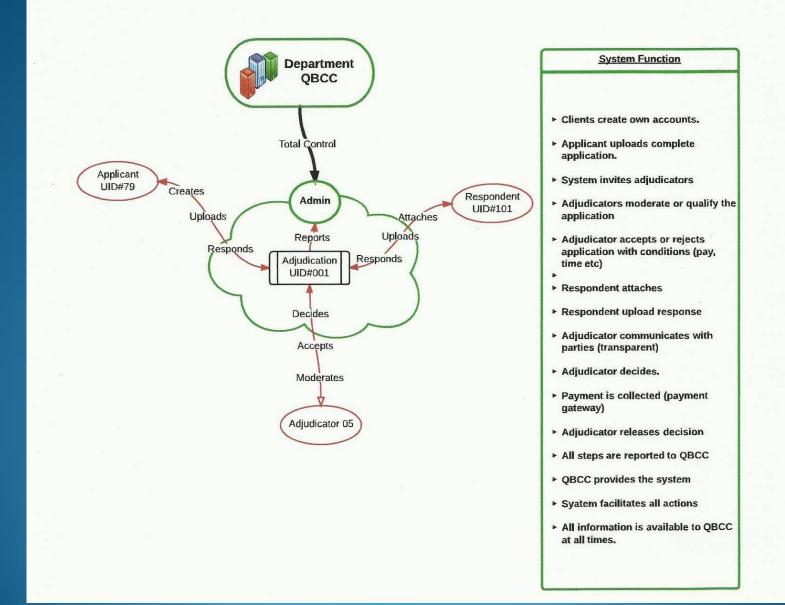
- The AAS service enforces all BCIPA regulatory requirements being rules based thus ensuring all participants are following all current QBCC / BCIPA policies and procedures. This is also of key benefit to all Adjudicators with the knowledge that all their activities are being fulfilled in accordance with QBCC / BCIPA rules. Simply using the system enforces this situation.
- All required Data Transfers to and from QBCC / BCIPA Applications can be accommodated with the use of supporting software. In many cases these transfers and updates would be done automatically.
- AAS would be tailored for use by QBCC's new central ANA with operational training and documentation provided.



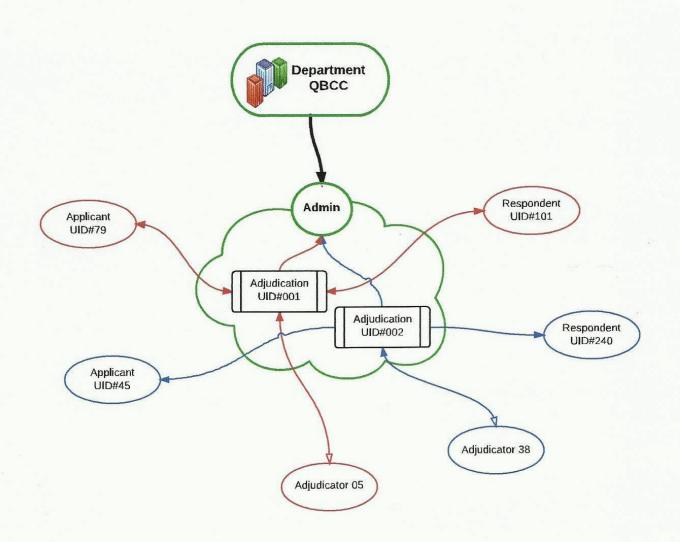


- SYSTEM DIAGRAMS
- AAS SYSTEM SAMPLES
- TEST SYSTEM ACCESS

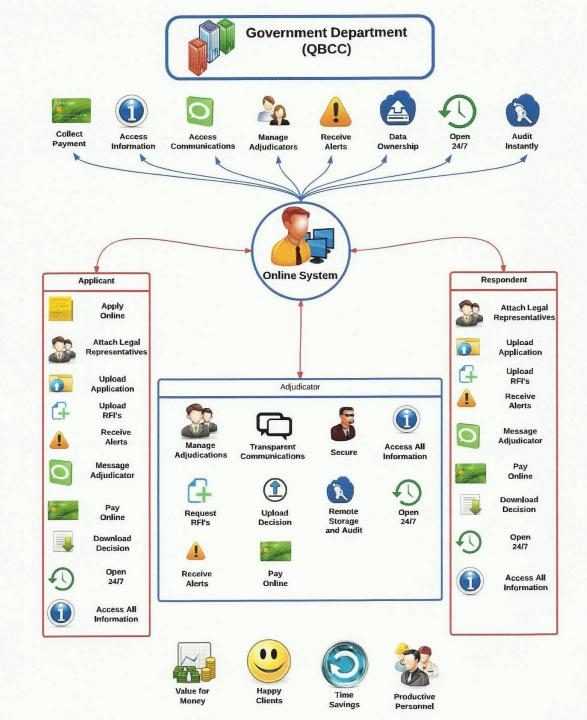
AAS – GENERAL SYSTEM OPERATION DIAGRAM



AAS – SYSTEM FLOW CHART



AAS – FUNCTIONAL DIAGRAM





AAS – SAMPLE ONLINE FORMS

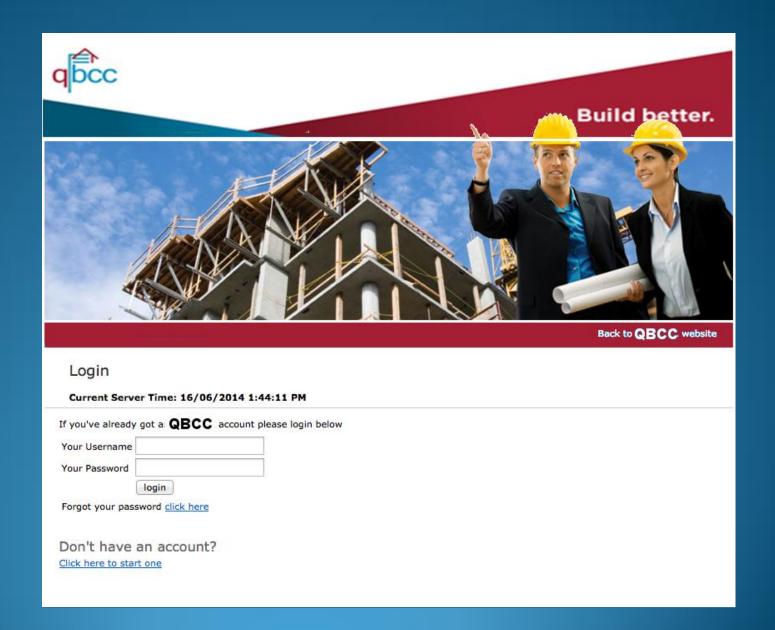
ADJUDICATORS & AUTHORISED NOMINATING AUTHORITY

AAS as a QBCC service



Back to QBCC website

AAS Homepage



Welcome Page



Welcome Ron Builder

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Navigation	-	sages							
» Edit Account » New Application	new message Number of messages returned: 1 to 10 records of 11								
» Attach Application		From	Арр	Туре	Priority	Respond By	Date Sent		
» Calculators » Search for User		(Applicant) Applicant	005	Other	Normal	ASAP	9/02/2014	view	
» Search for User » Create New User		(Adjudicator) Adjudicator	005	Other	Normal	14/02/2014	9/02/2014	<u>view</u>	
» Preferences		(Adjudicator) Adjudicator	005	Other	Normal	14/02/2014	9/02/2014	view	
 » Message Templates » Manage Forums 		(Adjudicator) Adjudicator	005	Other	Normal	14/02/2014	9/02/2014	view	
» Fax Log » Email Log		(Applicant) Applicant	005	Other	Normal	11/02/2014	9/02/2014	view	
» Unassigned Applications		(test) Applicant	003	Other	Normal	ASAP	23/09/2013	view	
» Archived Applications		(Adjudicator) Adjudicator	003	Other	Normal	30/09/2013	23/09/2013	view	
» Forums » Home		(Adjudicator) Adjudicator	003	Other	Normal	30/09/2013	23/09/2013	view	
» Logout		(Adjudicator) Adjudicator	003	Other	Normal	30/09/2013	23/09/2013	view	
		(test) Applicant	003	Other	Normal	25/09/2013	23/09/2013	view	

[1] 2

All Applications

Show Only: \$

There are 8 applications found

ID	Contract Name	Lodge Date	Respondent Deadline	Adjucator Deadline	Status			
6	Contract 101				Setup	view	<u>edit</u>	delete
7	applicant				Setup	view	<u>edit</u>	delete
8					Setup	view	<u>edit</u>	delete
9					Setup	view	<u>edit</u>	delete
10					Setup	view	<u>edit</u>	delete
4	applicant				Setup	view	<u>edit</u>	delete
3	applicant	23/09/2013	1/10/2013	27/09/2013	Released	view	<u>edit</u>	delete
5	Contract 101	9/02/2014	14/02/2014	13/02/2014	Released	view	<u>edit</u>	delete

Unassigned Applications There are no applications to view

AAS CREATE ACCOUNT FORM



Create Account

Current Server Time: 16/06/2014 1:47:24 PM

Navigation	Are you resp	onding to an application?	If so please enter the ID below
» Edit Account	Application ID		
» New Application			
» Attach Application	User Type	¢) *	
» Calculators	🕞 Logi	n as this <mark>user</mark>	
» Search for User	Username		*
» Create New User			*
» Preferences	Password		
» Message Templates	Contact Name		*
» Manage Forums	Company Name		*
» Fax Log			*
» Email Log	Address		
» Unassigned Applications	Suburb		*
» Archived Applications	State	• *	
» Forums		1 *	
» Home	Postcode		
» Logout	Please note you mu	ist provide either your AB	N or ACN
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Bui	ilders Registration Number		
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	Mobile	(i.e 0400123123)
	Fax	(i.e 0738486666)*
	Email		(i.e
		ith@buildingcompany.com	n.au) 🌞
	I consent to giving and re	ceiving information by wa	ay of
	electronic transaction includin via the QBCC system webs Electronic Transactions (Quee	site, in accordance with th	
	accordance with the Business		
	Communications with QBC(transactions	C for present and future	
	View Electronic Transfer Here		





Application Setup - Step 1 of 5

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Navigation	1 2	3	4	5	6		
» Edit Account	Application Setup Lod	ged Acceptance	e Response	Payment	Release		
» New Application	Contact Name	test	*				
» Attach Application	Company / Trading Name	Test	*				
» Calculators	Address	testtes	*				
» Search for User	10.000 (10.000) (10.000 (10.000)		*				
» Create New User	Suburb	test					
» Preferences	State	Queensland	• *				
» Message Templates	Postcode	4214 *					
» Manage Forums	Please note v	ou must provide eithe	r your ABN or ACN				
» Fax Log	0.000		, you not of new				
» Email Log	ABN						
» Unassigned Applications	ACN	test					
» Archived Applications	Builders Registration Number						
» Forums	Phone	0755324858 *					
» Home		0755524050					
» Logout	Mobile						
	SMS	S Tick this box if you want to receive notifications via SMS					
	Fax	0755324858 *					
	Email	trent@Tmdonline.com	n.au 🏾 *				
		save / next step					

You can leave this application setup at any stage and login to complete at a later date





THLG Committee is invited to access the AAS Test System established for their reference and its consideration.

 TEST SYSTEM ACCESS – Available and arranged upon request

For additional information please contact -

John Lowry – Managing Director, Lowry Consulting Email - john@lowry.com.au Telephone – (07)5630-1350

Peter Lowry – AAS Systems Application Manger Email – pete@lowry.com.au