

CONTENTS

CHAPTER 1 THE LEGAL AND COMMERCIAL FRAMEWORKS

Introduction	2
Frameworks for analysis	4
The legal framework	6
(i) Introduction	6
(ii) Statute law	7
(iii) Judge-made law	12
(iv) The Crown	20
(v) Customary law	20
(vi) Application of the law	21
Protagonists	22
(i) Owner	22
(ii) Contractor	22
(iii) Contract administrator	23
(iv) Subcontractor	23
(v) Consultant	24
(vi) Supplier	24
(vii) Government	24
(viii) Funder	25
(ix) Others	26
Procurement routes	26
(i) Forms of project delivery	26
(ii) “Traditional” building projects	27
(iii) Design and build	28
(iv) Construction management	29
(v) Direct contracting	31
(vi) Management contracting	31
(vii) Private Finance Initiatives (“PFIs”) and Public/Private Partnerships (“PPPs”)	33
(viii) Build Operate Transfer (“BOT”)/Build Own Operate Transfer (“BOOT”)	36
(ix) Partnering/alliance contracting	36
(x) Facilities management contracts	38
(xi) Framework agreement	39

CONTENTS

(xii) Development and sale agreements	40
(xiii) Turnkey contracts	41
(xiv) Supply contracts	42
(xv) Building information modelling	44
(xvi) Less formal arrangements	44
CHAPTER 2 CONTRACT FORMATION	
Introduction	46
Privity of contract	48
Elements of a contract	50
Agreement on essential terms	51
(i) What is an essential term?	51
(ii) Scope of works	52
(iii) Price	57
(iv) Incomplete particulars of agreement	60
(v) Articulation of terms	60
Agreement	61
(i) Generally	61
(ii) Offer and acceptance	61
Intention to create legal relations	68
(i) Generally	68
(ii) Concluded agreement	68
(iii) Evidence of intention to create legal relations	71
(iv) No intention to enter into legal relations	73
(v) Agreements to agree or negotiate	74
Consideration	74
(i) What is consideration?	74
(ii) Performance of pre-existing obligation	76
(iii) Illusory promises	77
Formalities	78
(i) Introduction	78
(ii) Written contracts	79
(iii) Oral contracts	81
(iv) Partly written and partly oral contracts	81
(v) Implied contract	81
(vi) Deed	82
Capacity to enter into a contract	85
(i) Introduction	85
(ii) Natural persons – generally	85
(iii) Companies	86
(iv) Governments	90
(v) Partnership	92
(vi) Joint ventures	93

CONTENTS

(vii) Associations and societies	95
(viii) Bankrupts	96
(ix) Trusts	96
(x) Plurality of parties	97
Authority to enter into a contract	97
(i) Introduction	97
(ii) Actual authority	97
(iii) Apparent authority	101
(iv) Scope of authority	103
(v) No authority	104
(vi) Duty of agent to principal	104
(vii) Ratification	105
Identity of contracting parties	106
Date of contract operation	107
(i) Generally	107
(ii) Retroactive operation	107
Collateral contract	108
(i) Generally	108
(ii) Promissory and non-promissory representations	109
Contracts implied by custom and usage	109
Estoppel	110
Matters affecting the existence or enforceability of a contract	111
(i) Failure to comply with statutory requirements	111
(ii) Economic duress	112
(iii) Mistake	114
(iv) Unconscionability	115
(v) Undue influence	116
(vi) Fraud and illegality	117
(vii) <i>Non est factum</i>	123
No contract	123

CHAPTER 3 CONTRACT TERMS

Freedom of contract	127
Identification of contract terms	128
Contract documents	129
(i) Introduction	129
(ii) Form of agreement/articles of agreement	130
(iii) General conditions	131
(iv) Standard forms	131
(v) Special conditions and amendments to general terms	147
(vi) Specifications	148
(vii) Schedule of rates and prices	149
(viii) Drawings	150

CONTENTS

(ix) Method statement	150
(x) Contract programme	151
(xi) Bill of quantities	151
(xii) Tender documents	154
(xiii) Other documents and terms	154
(xiv) Documents incorporated by reference	156
Classification of terms	157
(i) Introduction	157
(ii) Essential term	158
(iii) Innominate term	159
(iv) Warranty	160
(v) Dependent obligation	161
(vi) Independent obligation	162
Condition precedent	162
Condition subsequent	163
Express terms	165
(i) Generally	165
(ii) Recitals	165
(iii) Definitions and interpretation	165
(iv) "Entire agreement" clause	167
(v) Quality of workmanship	169
(vi) Quality of materials	171
(vii) Fitness for purpose	172
(viii) "Equivalent project relief" clauses	174
(ix) Proscribed materials	174
(x) Application of human resources	174
(xi) Risk	175
(xii) <i>Force majeure</i>	178
(xiii) Governing law and jurisdiction	181
(xiv) Service of notices	183
(xv) Confidentiality	185
(xvi) Best endeavours and reasonable endeavours	185
Implied terms	187
(i) When will a term be implied?	187
(ii) Quality of goods supplied	192
(iii) Fitness for purpose	193
(iv) Sale of goods legislation	199
(v) Quality of work	205
(vi) Duty to exercise reasonable skill and care	207
(vii) Duty to cooperate/duty not to hinder performance	208
(viii) Duty to act in good faith	213
(ix) Duty to act reasonably in exercising rights	216
(x) Duty to act honestly	217
(xi) "Buildability"	217

CONTENTS

(xii) Duty to provide accurate design information	219
(xiii) Compliance with laws and regulations	220
Contractual interpretation	220
(i) Generally	220
(ii) Striving to find meaning	222
(iii) Business common sense	224
(iv) Context	225
(v) Peculiar or technical meanings	225
(vi) The <i>contra proferentem</i> rule	226
(vii) The <i>ejusdem generis</i> rule	228
(viii) Preservation of common law rights	229
(ix) Deletions	229
(x) Earlier and later versions of standard forms	230
(xi) Knowledge of judicial interpretation	230
(xii) General provisions and specific provisions	230
(xiii) Headings	231
(xiv) Punctuation	231
(xv) Homogeneity	231
(xvi) Hierarchy of documents	232
(xvii) Use of dictionaries and guidance or practice notes	233
(xviii) Language	234
(xix) Redundant language	234
(xx) Errors	235
(xxi) Changes to statutes	235
(xxii) English consumer law	235
Extrinsic evidence	236
(i) The general position	236
(ii) Admissible evidence	239
(iii) No ambiguity	243
Other issues concerning contract terms	243
(i) Uncertainty	243
(ii) Rectification	244
(iii) Variation of terms	247
(iv) Particularly onerous or unusual terms	248
(v) Declaration of correct interpretation	250

CHAPTER 4 PROCUREMENT

Introduction	252
An overview of the tendering process	254
(i) Generally	254
(ii) Pre-qualification	254
(iii) Tender list	255
(iv) Design contest	255

CONTENTS

(v) Tender submission	256
(vi) Two-stage tendering	256
(vii) Contract award	257
Public procurement laws – England	257
Domestic public procurement laws in England	258
(i) Generally	258
(ii) Criteria for awarding contracts	259
(iii) Remedies	259
European public procurement laws (England)	260
(i) Introduction	260
(ii) Application of the Public Contracts Regulations and the Utilities Contracts Regulations	261
(iii) Terms of the proposed contract	264
(iv) The tender process	265
(v) Award of contract	277
(vi) Remedies for irregularities in the tendering process	280
Public procurement laws in Australia	291
(i) Generally	291
(ii) Overview of each jurisdiction	292
(iii) Legal effect of procurement regimes	295
Public procurement laws in Hong Kong	296
(i) Introduction	296
(ii) The Stores and Procurement Regulations	296
(iii) Review of procurement decisions	299
Public procurement laws in Singapore	299
(i) Introduction	299
(ii) Application	299
(iii) Procurement requirements	300
Contractual rights in tendering	300
(i) Introduction	300
(ii) Contract to govern the tendering process	301
(iii) Form of tender	306
(iv) Damages and other remedies	306
(v) No tendering contract	307
(vi) Withdrawal of tender	307
(vii) Bid deposits or bonds	308
(viii) Agreement to negotiate	308
(ix) Agreement to agree	309
Tendering costs	310
(i) Legal relationships in tendering	310
(ii) Tendering at the contractor's risk	310
(iii) Contemplation of financial reward	311
(iv) Unjust enrichment	313

CONTENTS

Letter of intent	314
(i) Generally	314
(ii) Further agreement entered into	316
(iii) No further agreement executed	317
(iv) Scope of works contemplated	319
(v) Duty of consultant to advise owner	319
Pre-contractual representations	319
(i) Introduction	319
(ii) Misrepresentation	320
(iii) Innocent misrepresentation	320
(iv) Fraudulent misrepresentation	323
(v) Reliance	326
(vi) Estoppel by representation	327
(vii) Contractual warranty of accuracy of information	327
(viii) Site conditions: allocation of risk	327
(ix) “No reliance” clause	329
(x) Provision of information by a consultant engaged by the owner	331
(xi) Competition and Consumer Act 2010 (Cth)	332
Competition law	338
(i) Generally	338
(ii) Bid rigging	339
(iii) Economic torts	340

CHAPTER 5 CONTRACT ADMINISTRATION

Introduction	345
The contract administrator	345
(i) Terminology	345
(ii) Clerk of works/project monitor	346
(iii) The role of consultants	347
(iv) Contractor’s superintendent or representative	347
(v) Contract administration by the owner	348
Appointment of contract administrator	349
(i) Capacity	349
(ii) Nomination and replacement	350
The authority of the contract administrator	352
(i) Sources of authority	352
(ii) Scope of authority	352
(iii) Contract administrator as owner’s agent	353
(iv) Contract administrator as certifier or arbitrator	355
(v) Consultation of third parties	360
(vi) Delegable functions	361
(vii) Directions or actions that are outside of the contract administrator’s power	362

CONTENTS

(viii) Communication with the contractor	363
(ix) Waiver of the need for contractual compliance	363
(x) Revocation of authority	363
(xi) Cessation of authority	364
(xii) Contract administrator not validly appointed	365
The duties of a contract administrator	365
(i) Duty to act in accordance with the contract	365
(ii) Duty of supervision and inspection	367
(iii) Duty to act fairly and impartially	370
(iv) Duty to afford natural justice	375
(v) Duty to act with due skill and care	376
(vi) Duty to act reasonably	377
(vii) Duty to avoid conflicts of interest/not to accept unauthorised payments or gifts	378
(viii) Duty following termination of the contractor's employment	379
(ix) Effect on parties' rights and obligations of maladministration	379
Duties of the owner in relation to the contract administrator	380
(i) No interference	380
(ii) Ensure that contract administrator carries out functions properly	381
(iii) Appointment of replacement contract administrator	382
Approvals and supervision	383
(i) Approval of work methods, materials and design	383
(ii) Approval of work performed	386
(iii) Supervision and contractor's obligations	386
Certificates	387
(i) Types of certificate	387
(ii) Conditions to be satisfied before issue of certificate	388
(iii) Form and content	389
(iv) Interpretation	390
(v) Issue of certificate	391
(vi) Time at which a certificate must be issued	391
(vii) Errors	392
(viii) Wrongful refusal to issue a certificate	393
(ix) Effect of certificate	393
Certificate of practical completion	394
(i) Introduction	394
(ii) What is practical completion?	395
(iii) Consequences of practical completion being achieved	398
(iv) Entitlement to a certificate of practical completion	400
(v) Form and content	401
Defects correction certificate	402
Final certificate	403
(i) Introduction	403
(ii) Entitlement to a final certificate	404

CONTENTS

(iii) Form and content	405
(iv) Effect	406
(v) Role of contract administrator	409
“Final and binding” or “conclusive”	410
(i) Introduction	410
(ii) General effect	410
(iii) Contract wording	412
(iv) Scope of determination or certificate	413
(v) Effect on proceedings	414
(vi) Ouster of the court’s jurisdiction	417
(vii) Fraud	418
Challenges to a contract administrator’s certification or determination	419
(i) Grounds for challenge	419
(ii) Arbitration	420
(iii) Curial review	421
(iv) Effect of arbitral award or court judgment	421
Remuneration of the contract administrator	422
Personal liability of the contract administrator	422
(i) Introduction	422
(ii) Contract	423
(iii) Negligence	424
(iv) Tortious interference with contractual relations	431
(v) Competition and Consumer Act 2010 (Cth) (Australia)	432
(vi) Deceit	432
(vii) Fraud	433

CHAPTER 6 PRICE AND PAYMENT

Introduction	440
Determination of price: Work performed under a contract	441
(i) Introduction	441
(ii) Lump sum	441
(iii) Measurement (or remeasurement)	443
(iv) “Cost plus”	444
(v) Contractual <i>quantum meruit</i>	447
(vi) Management fee or consulting fee	448
(vii) Target cost	448
(viii) Schedule of rates	449
(ix) Daywork	449
(x) Provisional sums	450
(xi) Prime cost	451
(xii) Time charge	451
(xiii) Advance payments	451
(xiv) Discretion of third party	452

CONTENTS

(xv) Rise and fall clauses	452
(xvi) Estimates	455
(xvii) Contingency	457
(xviii) Speculative work	458
(xix) Variations	458
(xx) Loss and/or expense	458
(xxi) Minimum quantity or value	458
(xxii) Other claims for compensation or indemnification	459
(xxiii) Errors	459
(xxiv) Estoppel by convention	460
Work performed on a non-contractual basis	460
(i) Basis of entitlement to payment	460
(ii) Contract between the parties	461
(iii) Unjust enrichment	462
(iv) Estoppel	466
Progress payments	466
Making a progress claim pursuant to a construction contract	468
(i) Timing	468
(ii) Form	469
(iii) Amount	469
(iv) Supporting information	470
(v) Fraudulent payment claims	473
Progress claims pursuant to legislative schemes: England	474
(i) Introduction	474
(ii) "Construction contract"	475
(iii) Writing	480
(iv) Entitlement to progress payment	481
(v) Mechanism for determining payments	481
(vi) Form of progress claim	483
New South Wales	484
(i) Introduction	484
(ii) Application of legislation	485
(iii) No contracting out	488
(iv) Entitlement to a progress payment	490
(v) Payment claim	493
(vi) Timing and service of payment claim	498
Victoria	501
(i) Introduction	501
(ii) Application of legislation	502
(iii) Entitlement to a progress payment	503
(iv) Making a payment claim	505
Queensland	507
(i) Application	507
(ii) Construction contracts	508

CONTENTS

(iii) Entitlement to a progress payment	510
(iv) Making a payment claim	512
(v) Due date for payment	515
Western Australia	515
(i) Introduction	515
(ii) Application	516
(iii) Prohibited contractual provisions	517
(iv) Implied contractual provisions	518
South Australia	520
(i) Introduction	520
(ii) Application	520
(iii) Right to progress payments	521
(iv) Making a payment claim	521
Tasmania	522
(i) Introduction	522
(ii) Application	523
(iii) Right to progress payments	523
(iv) Making a payment claim	523
Australian Capital Territory	524
(i) Introduction	524
(ii) Application	525
(iii) Right to progress payments	525
(iv) Making a payment claim	526
(v) Due date for payment	527
Northern Territory	527
(i) Introduction	527
(ii) Application	527
(iii) Prohibited contractual provisions	528
(iv) Implied contractual provisions	528
Singapore	530
(i) Introduction	530
(ii) Application	531
(iii) Right to progress payment	532
(iv) Making a payment claim	533
(v) Due date for payment	537
Progress claims for work performed on a non-contractual basis	538
Valuation of work performed on a contractual basis	538
(i) Basis of valuation	538
(ii) Interim certificate	540
(iii) Non-assessment or invalid assessment	543
Valuation of work performed on a non-contractual basis	545
(i) Generally	545
(ii) Conferral and acceptance of a benefit	549
(iii) Defective performance/abatement	550

CONTENTS

Assessment of progress claims under legislative schemes: England	552
(i) Introduction	552
(ii) Payment notices	553
(iii) Service of notices	557
New South Wales	558
(i) Payment schedule	558
(ii) Form and content	558
(iii) Calculation of value of work performed	560
(iv) Time and manner of service	560
(v) Consequences if not issued in time	561
(vi) Consequences of not paying the full amount scheduled as due	564
Victoria	564
(i) Payment schedule	564
(ii) Form and content	564
(iii) Valuation of work	565
(iv) Time for issue	565
(v) Failure to pay amount due	566
Queensland	566
(i) Payment schedule	566
(ii) Form and content	567
(iii) Time for issue	568
(iv) Failure to issue a payment schedule in time	569
Western Australia	570
South Australia	570
(i) Payment schedule	570
(ii) No payment schedule/failure to pay scheduled amount	571
Tasmania	571
(i) Payment schedule	571
(ii) Time for service of payment schedule	572
(iii) Consequences of failing to pay the amount due	572
Australian Capital Territory	573
(i) Payment schedule	573
(ii) Consequences of no timely payment schedule or non-payment of scheduled amount	573
Northern Territory	574
Singapore	574
(i) Payment response	574
(ii) Failure to serve a timely payment response	577
Entitlement to payment/form of payment	577
(i) Generally	577
(ii) Adequacy of work performed	578
(iii) Certificate as condition precedent	579
(iv) Absence of certificate no bar to recovery	581
(v) Invalid certificate	584

CONTENTS

(vi) Payment on account	584
(vii) The effect of default by contractor or supplier	586
(viii) Amount payable	586
(ix) Form of payment	587
(x) Project bank accounts	588
(xi) Withholding	590
(xii) "Pay-when-paid" clauses	592
(xiii) Discount for prompt payment	597
(xiv) Time at or by which payment is to be made	597
(xv) Deliberate refusal to pay	599
Notification and time bar provisions	600
(i) Introduction	600
(ii) When does a contractual provision operate as a time bar?	603
(iii) The content of the notification or claim	604
(iv) Timing of notification	604
(v) Delivery	605
(vi) Defence and set-off	605
(vii) Waiver	605
(viii) Burden of proof	606
Final account	606
(i) Generally	606
(ii) Extra-contractual settlement of final account	607
Entire contract	608
(i) What is an entire contract?	608
(ii) Identification of an entire contract	609
(iii) Modern role of entire contracts	611
(iv) Work outside of the contract	612
Substantial performance	612
(i) Introduction	612
(ii) What is substantial performance?	613
(iii) Acceptance	615
(iv) Abandonment of the works	615
(v) Remunerative entitlement	616
(vi) Exclusion or limitation of right to recover money for substantial performance	617
Total failure of consideration	617
Overpayment	620
Payment by a third party	623
Debt	623
Interest	624
(i) Introduction	624
(ii) Contractual entitlement	625
(iii) Statutory entitlement	626
(iv) Interest as damages	627
(v) Rate and period of interest	627

CONTENTS

Taxes and excise	630
(i) VAT (England)	630
(ii) GST (Australia)	633
(iii) Stamp duty	634
(iv) Tax on damages	634
(v) The Construction Industry Scheme (England)	635
(vi) Hong Kong	635
(vii) Singapore	636
(viii) Other tax or excise issues	636
Set-off	637
(i) Generally	637
(ii) Independent set-off	639
(iii) Transaction set-off	640
(iv) Contractual set-off	642
(v) Insolvency set-off	647
(vi) Abatement	648
(vii) Abatement of consultants' fees	650
Suspension of work for non-payment	651
(i) Generally	651
(ii) Suspension pursuant to a statutory right	652
(iii) "Going slow"	653
Account	653
Account stated	655

CHAPTER 7 VARIATIONS

Introduction	660
Varied work	661
(i) Generally	661
(ii) Different quantities	662
(iii) Alternative materials	663
(iv) Instruction to correct defective works	664
(v) Instruction to change work methods	664
(vi) Instruction to comply with legislative requirements	665
(vii) Extensions of time, acceleration and disruption	665
(viii) Concessions and interim payments	666
Variation instruction	666
(i) Need for express power to instruct variations	666
(ii) Express power to instruct variations	667
(iii) Request by contractor for variation instruction/requirement to issue a variation instruction	668
(iv) Timing of instruction	669
(v) Form of variation instruction	669
(vi) Submission of quotation for work by contractor	669

CONTENTS

Limits of the power to direct variations	670
(i) General scope of the variations power	670
(ii) Increases in the volume of work	671
(iii) Omissions	672
(iv) Instruction beyond scope of variations power	675
(v) No power to instruct variations after practical completion	676
(vi) Variation preventing completion of work within time allowed by contract	676
Variations where contract formalities are not followed	677
(i) Introduction	677
(ii) Need for a written instruction	678
(iii) No consequence if notification not given	679
(iv) Absence of written variation instruction no bar to recovery	680
(v) Disagreement over whether work is a variation	683
(vi) Work outside of the contract	683
Mutual abandonment	683
Valuation of variations	684
(i) Generally	684
(ii) The application of contract rates and prices	685
(iii) Cost or cost plus	687
(iv) Omissions	687
(v) No applicable mechanism for valuation	688
(vi) Non-contractual work	688
(vii) Payment	689
Variations and insurance	689
Variation of contractual terms	689

CHAPTER 8 THE SITE

Introduction	694
Access to the site	695
(i) Obligation to provide access	695
(ii) Extent of access to be provided	697
(iii) Prevention of access by third parties	699
(iv) Consequences of failure to provide access	699
(v) Nature of the contractor's use of land	700
(vi) Revocation of contractor's licence to occupy land	701
(vii) Access for third parties	703
(viii) Use of adjoining property as a means of access	703
Responsibility for the site and the works	704
(i) Generally	704
(ii) Vicarious liability for damage caused by employee	706
(iii) Site security	707
(iv) Disposal of spoil and rubbish	708

CONTENTS

Owner resuming possession	710
Unforeseen site conditions	711
(i) Introduction	711
(ii) Entitlement to relief where site conditions could not reasonably have been foreseen	713
(iii) Responsibility for investigating the site	715
(iv) Absolute undertaking	716
(v) No express agreement on risk allocation	717
(vi) Changes to design or work methods	719
(vii) Underestimate of work in bill of quantities	719
(viii) Frustration/impossibility	719
(ix) Physical harm and damage to property	720
Nuisance	720
(i) Introduction	720
(ii) Private nuisance	721
(iii) Public nuisance	725
(iv) Remedies for private or public nuisances	727
(v) Statutory nuisance	729
Withdrawal of support to neighbouring land	732
(i) Generally	732
(ii) Right of support for improvements on the land?	734
(iii) Remedies	735
Party walls and the common law	736
(i) Existing party walls	736
(ii) New party walls	737
Statutes concerning party walls and fences	738
(i) Generally	738
(ii) England	738
(iii) Australia	744
(iv) Hong Kong	745
(v) Singapore	745
Trespass/access to land	745
(i) Trespass	745
(ii) Access to land	748
(iii) Remedies for trespass	749
Duty of care owed to passers-by and neighbours	752
(i) Generally	752
(ii) Duty owed to passers-by	753
(iii) Damages	756
Occupiers' liability	757
(i) Owner's duty of care	757
(ii) Contractor's duty of care	759
(iii) Occupiers' liability legislation	760
Statutory liability for damage to property	762

CONTENTS

Independent contractor	762
Ownership of materials, plant and equipment	765
(i) Generally	765
(ii) Retention of title	768
(iii) Materials supplied by owner	768
(iv) Plant and equipment	768
(v) Mandatory injunction	769
Archaeological and other finds	769

CHAPTER 9 BREACH OF CONTRACT AND TERMINATION

Breach of contract	772
(i) Definition	772
(ii) Consequences of a breach of contract	774
(iii) Interrelated breaches of contract	775
(iv) Accrual of a cause of action	776
Termination	776
(i) Generally	776
(ii) Termination on reasonable notice?	777
Termination at common law for repudiation or breach	778
(i) Repudiation	778
(ii) Anticipatory breach	781
(iii) Willingness and ability to perform by the innocent party	782
(iv) Terminating party also in breach	782
(v) Breach of a serious term	783
(vi) Cumulative effect of contractual breaches	784
(vii) Wrongful allegation of repudiation	784
Instances of repudiatory conduct or serious breach	785
(i) Repudiation or serious breach by the owner	785
(ii) Repudiation or serious breach by the contractor	789
Election to affirm or terminate	794
(i) Generally	794
(ii) Election to affirm	795
(iii) Election to terminate	797
Specific performance	797
(i) Generally	797
(ii) Specific performance ordered against a contractor	798
(iii) Specific performance ordered against an owner	802
Termination pursuant to a contractual power	804
(i) Generally	804
(ii) Material breach	805
(iii) Code to termination	806
Termination by the owner pursuant to a contractual power	807
(i) Generally	807
(ii) Termination for unsatisfactory performance	807

CONTENTS

(iii) Termination for convenience	809
(iv) Injunction	811
Termination by the contractor pursuant to a contractual power	811
Manner of termination	812
(i) Common law	812
(ii) Termination pursuant to a contractual power	813
(iii) "Show cause" and default notices	814
(iv) Termination notice	818
(v) Reasonableness, good faith and termination	820
(vi) Strict compliance	824
(vii) Contractual termination or termination at common law?	826
(viii) Consequences of ineffective attempt to terminate pursuant to a contractual power	826
(ix) Automatic termination	827
(x) Burden of proof	828
Rights and remedies following termination at common law	828
(i) General effect of termination at common law	828
(ii) Consequences of termination at common law for owner's repudiation or serious breach	829
(iii) Consequences of termination at common law for a contractor's repudiation or serious breach	836
Consequences of termination pursuant to a contractual power	838
(i) Generally	838
(ii) Suspension of payment to contractor	840
(iii) Completion of the works by the owner following termination	842
Termination due to frustration	845
(i) What is frustration?	845
(ii) Effects of frustration	849
(iii) Law Reform (Frustrated Contracts) Act 1943 (UK)	850
(iv) Australian, Hong Kong and Singapore legislation	851
(v) Contractual terms	851
Termination due to death	852
Discharge by performance	852
Termination by agreement or mutual abandonment	853
Termination of non-contractual arrangement	854

CHAPTER 10 NEGLIGENCE

What is negligence?	856
Elements of negligence	857
Element 1: A duty of care	858
(i) The duty of care concept	858
(ii) Type of foreseeable harm, injury or loss	860
(iii) The likelihood of the harm, loss or damage eventuating	873

CONTENTS

(iv) Assumption of responsibility and vulnerability	874
(v) “Fair, just and reasonable”	881
(vi) Disclaimer	882
(vii) Insurance	883
(viii) Statutory imposition of duty of care/statutory duties	884
Element 2: Breach of duty	884
(i) Generally	884
(ii) Professional negligence	888
(iii) Vicarious liability and non-delegable duties	895
Element 3: Causation of harm, loss or damage	896
(i) Introduction	896
(ii) Reliance and causation	897
(iii) Intervening acts and events	898
(iv) Australian civil liability legislation	899
Application to the construction and engineering industries	900
Contractor	900
(i) Harm or injury to person/damage to “other property”	900
(ii) Pure economic loss	902
Subcontractor	913
(i) Duty to main contractor	913
(ii) Duty to third parties	914
Contract administrator	917
Owner	918
(i) Duty to construction operatives	918
(ii) Purchaser or occupier	918
(iii) Government of Singapore	920
Architect	920
(i) Duty to client	920
(ii) Duty to third parties	923
Engineer	924
(i) Duty to client	924
(ii) Duty to third parties	925
Supplier	927
(i) Physical harm, injury or damage to “other property”	927
(ii) Pure economic loss	929
Quantity surveyor	931
Property surveyor	932
(i) Generally	932
(ii) Scope of duty	933
(iii) Damages	934
Public authority	937
(i) Introduction	937
(ii) Physical harm or damage to “other property”	939
(iii) Pure economic loss	941

CONTENTS

(iv) Liability for breach of statutory duty	946
(v) Liability for conduct of independent contractors	947
Expert	947
(i) Expert determination	947
(ii) Expert witness	948
Arbitrators and adjudicators	948
Trade association	949
Concurrent duties in contract and tort	949
Contributory negligence	952
(i) Generally	952
(ii) Defence to an action in contract?	953
(iii) Fault and causation	954
(iv) Reduction in damages	956
(v) Contractual defences and limitations	957

CHAPTER 11 TIME

Introduction	961
Time for performance	962
Time for commencement	962
Time for completion	964
(i) Introduction	964
(ii) Stipulated date for completion	964
(iii) Prevention of completion by the stipulated date	966
(iv) No stipulated or applicable date or time for completion	966
(v) Target or estimated date for completion	969
(vi) Work performed on a non-contractual basis	969
(vii) Condition precedent/time of the essence	969
(viii) Damages for late completion	972
Progress of the works	973
(i) The general position	973
(ii) Obligation to follow contract programme	973
(iii) Express obligation to progress the works	974
(iv) Provision of progress information	979
(v) Work methods	980
(vi) Coordination of contractors	980
(vii) Interdependent activities	981
(viii) Suspension of the works	982
Reckoning of time	983
(i) Generally	983
(ii) Days	983
(iii) Months	984
(iv) Holidays/industry shutdowns	984

CONTENTS

The contract programme	985
(i) Generally	985
(ii) Uses of the contract programme	988
Practical completion	988
Extension of time	989
(i) Extension of time clause	989
(ii) Contractor delay	991
(iii) Owner delay	991
(iv) Neutral events causing delay	992
(v) Concurrent delay	995
(vi) Contractor's duty to mitigate delay	999
(vii) Float	999
Claiming an extension of time	1000
(i) Generally	1000
(ii) Notice of delay	1001
(iii) Notice claiming an extension of time	1002
(iv) Failure to comply with notice provisions	1003
(v) Renewed extension of time application	1004
(vi) Waiver and estoppel	1004
Assessment of a claim for an extension of time	1005
(i) Generally	1005
(ii) Contract administrator's independent power or duty to grant an extension of time	1009
(iii) Form and status of assessment	1011
(iv) Time limits for assessing an extension of time application	1012
Proof of delay	1014
(i) Generally	1014
(ii) Techniques for analysing delay	1016
(iii) Critical path method	1017
(iv) Retrospective analysis	1019
(v) Application of the facts and common sense	1020
The financial consequences of delay	1021
Delays for which the owner is responsible	1022
(i) Generally	1022
(ii) Measure of compensation or damages	1025
(iii) Recoverable heads of cost or loss	1027
Off-site overheads and loss of profit	1030
(i) Off-site overheads	1030
(ii) Loss of profit	1032
(iii) Formulae	1032
(iv) Proof	1036
Delays for which the contractor is responsible	1036
Delays caused by neutral events	1039

CONTENTS

Global claim	1040
(i) Generally	1040
(ii) Concurrent causes of delay	1044
(iii) Total cost claim	1045
Disruption	1047
(i) Generally	1047
(ii) Global claims for disruption	1049
Acceleration	1050
(i) Introduction	1050
(ii) Instruction to accelerate	1050
(iii) Acceleration costs	1051
(iv) "Constructive acceleration"	1052

CHAPTER 12 SECURITY FOR PERFORMANCE

Introduction	1056
Retention	1058
(i) What is retention?	1058
(ii) Recourse to retention money	1058
(iii) Trust money and separate accounts	1059
(iv) Release of retention money	1062
(v) Alternatives to retention	1063
Guarantee	1063
(i) Generally	1063
(ii) Writing	1065
(iii) Extent and duration of guarantor's liability	1066
(iv) Interpretation	1068
(v) Discharge of guarantor's liability resulting from material change or prejudice	1069
(vi) Letter of comfort	1071
(vii) Effect of arbitration agreement	1071
(viii) Subrogation	1072
Indemnity	1072
(i) Generally	1072
(ii) Purpose of indemnity	1074
(iii) Indemnity for a party's negligence	1075
(iv) When does an indemnity bite?	1076
(v) Exclusive remedy	1076
(vi) Subrogation	1076
Insurance	1077
Deposits and escrow accounts	1077
(i) Deposit	1077
(ii) Escrow account	1078

CONTENTS

Bonds and bank guarantees	1078
(i) Introduction	1078
(ii) Entitlement to payment	1080
(iii) On-demand bonds and bank guarantees	1081
(iv) Assertion of default	1084
(v) Proof of actual default	1086
(vi) Adjudication bonds (and similar bonds)	1089
(vii) Advance payment bond	1089
(viii) Unlawful demands for payment on liquid security instruments	1090
(ix) Interim remedies for unlawful demands	1099
(x) Step-in rights	1104
(xi) Effect of termination of the underlying contract	1104
(xii) Return of bank guarantee or performance bond	1105
(xiii) Expiration of bank guarantee or performance bond	1106
(xiv) Use of proceeds of security	1106
(xv) Surplus proceeds	1106
Charge	1107
(i) Generally	1107
(ii) Contractual charge (or lien)	1108
(iii) Floating charges and fixed charges over contractors' assets	1109
(iv) Common law lien (or pledge)	1110
(v) Equitable charges or liens	1110
(vi) Retention of title	1111
(vii) Caveats or cautions over title to real property	1114
(viii) Registration of charge	1114
(ix) Personal Property Securities Act 2009 (Cth) (Australia)	1115
(x) Exercise of power of sale	1116
Statutory lien or charge	1116
(i) Introduction	1116
(ii) New South Wales	1117
(iii) Victoria and Tasmania	1119
(iv) Queensland	1119
(v) South Australia	1124
Mortgage	1126
(i) Introduction	1126
(ii) Mortgage of real property	1126
(iii) Chattel mortgages	1127
Vesting, forfeiture and user clauses	1127
(i) Introduction	1127
(ii) Effectiveness and effect	1132
(iii) Wrongful seizure and damages	1135
Collateral warranty	1133
(i) Generally	1133
(ii) Provision of a collateral warranty	1135

CONTENTS

(iii) Terms	1136
(iv) Other representations and warranties	1137
CHAPTER 13 DAMAGES	
Introduction	1143
Damages for breach of contract	1144
(i) Purpose of an award of damages	1144
(ii) Constraints on recovery	1145
Categories of contractual damages	1146
(i) Introduction	1146
(ii) Expectation damages	1146
(iii) Reliance damages	1147
Specific heads of loss or damage	1147
(i) Defective works	1147
(ii) Delay costs	1147
(iii) Overhead costs and management time	1148
(iv) Loss of profit	1149
(v) Wasted expenditure	1153
(vi) Interest and finance charges	1154
(vii) Depreciation	1157
(viii) Consequential loss	1158
(ix) Damages flowing from termination	1159
(x) Mental distress	1160
(xi) Inconvenience and loss of amenity	1161
(xii) Legal costs	1164
(xiii) Damaged or destroyed property	1164
Damages in tort	1165
(i) Purpose	1165
(ii) Negligence	1166
(iii) Other torts	1166
Causation	1167
(i) Generally	1167
(ii) The “but for” test	1168
(iii) Intervening acts and events	1170
(iv) More than one cause of loss	1173
(v) Proof of causation	1175
(vi) No loss	1176
(vii) Loss avoided	1181
Punitive (or exemplary) damages	1181
Remedies for breach of section 18 of the Australian Consumer Law (Cth)	1182
(i) Introduction	1182
(ii) Damages	1182

CONTENTS

Assessment of damages	1186
(i) Approach	1186
(ii) Proof	1186
(iii) Time in respect of which damages are assessed	1188
(iv) Currency	1190
(v) Once-and-for-all assessment	1190
(vi) Dealing with a multitude of smaller claims	1190
(vii) Assessment of loss under a contractual mechanism	1191
(viii) Tax	1191
General constraints on the assessment of damages	1191
Remoteness	1192
(i) Introduction	1192
(ii) Remoteness in contract	1192
(iii) Remoteness in tort	1198
(iv) Type of loss or damage	1199
Mitigation of loss	1199
Liquidated damages	1202
(i) Generally	1202
(ii) Circumstances in which liquidated damages are payable	1204
(iii) Calculation of liquidated damages	1207
(iv) Exclusive remedy	1209
(v) Loss or damage that liquidated damages are intended to cover	1211
Defences to claims for liquidated damages	1213
(i) Contract does not permit recovery	1213
(ii) Inability to deduct or set off liquidated damages	1214
(iii) Prevention of performance	1215
(iv) Penalty	1224
(v) Evidence of penal operation	1234
(vi) Recovery of general damages where liquidated damages are irrecoverable	1235
(vii) Waiver	1236
Exclusion clause	1236
(i) Generally	1236
(ii) Interpretation	1237
(iii) Repugnancy, “fundamental breach”, deliberate breach and overriding undertakings	1240
(iv) Third parties and exclusion or limitation clauses	1242
(v) Unfair Contract Terms legislation (United Kingdom, Hong Kong and Singapore)	1242
(vi) Burden of proof	1250
Limitation clause	1250
(i) Generally	1250
(ii) Indirect and consequential losses	1251
(iii) Net contribution clause	1252

CONTENTS

(iv) Interpretation	1253
(v) Third parties	1254
(vi) Time bar	1254
(vii) Effect of statute	1254
Plurality of liability	1254
(i) Introduction	1254
(ii) Joint liability	1254
(iii) Several liability	1255
(iv) Joint and several liability	1256
(v) No greater recovery than actual loss	1256
Australian proportionate liability legislation	1257
(i) Introduction	1257
(ii) General proportionate liability legislation	1257
(iii) Construction-specific legislation	1262
Contribution	1263
(i) Introduction	1263
(ii) Availability	1264
(iii) The "same damage"	1265
(iv) The amount recoverable by way of contribution	1268
(v) Limitation periods	1270
Small or trivial claims	1271
Loss of reputation	1271

CHAPTER 14 DEFECTS

What is a defect?	1275
Temporary disconformity	1277
Compliance with the contractual specification	1280
(i) Generally	1280
(ii) Choice of materials	1281
(iii) Absence of specification	1281
(iv) Testing and commissioning	1281
(v) Price and tolerances	1282
(vi) Early deterioration	1282
Fitness for purpose	1282
(i) Warranty of fitness	1282
(ii) Statutory misrepresentation	1283
Duty to warn	1283
(i) Before work is performed/during the works	1283
(ii) After work has been performed	1286
(iii) Causation	1288
(iv) Duty to warn a third party?	1289
(v) Degree of knowledge	1290
(vi) Adequacy of the warning	1290

CONTENTS

Design responsibility	1291
(i) As between owner and contractor	1291
(ii) Obligation of consultant	1294
Instruction to correct defects	1295
Defects liability period	1296
(i) Generally	1296
(ii) Contractor's liability during defects liability period	1299
(iii) Contractor's liability after the expiration of the defects liability period	1300
Warranty in respect of defects	1301
(i) Temporal warranty	1301
(ii) General warranty	1302
(iii) Interpretation of warranty	1302
Latent defects	1302
(i) Definition	1302
(ii) Liability for latent defects	1303
(iii) General application of limitation statutes	1305
(iv) Time limitations for commencing proceedings: England	1305
(v) Time limitations for commencing proceedings: Australia	1310
(vi) Time limitations for commencing proceedings: Hong Kong	1312
(vii) Time limitations for commencing proceedings: Singapore	1312
(viii) Damages	1313
(ix) Fraudulent concealment	1313
(x) <i>Res judicata</i>	1315
Payment for work performed	1317
Waiver and cognate doctrines	1317
(i) Introduction	1317
(ii) Positive conduct	1317
(iii) Acquiescence	1318
Remedial options for defective works	1319
Damages for correction to the contractual standard	1320
(i) Generally	1320
(ii) Design errors and omissions	1327
(iii) Mitigation	1328
(iv) Cost of investigating a defect and devising a solution	1334
(v) Supervision/preliminaries/contingency/warranty	1334
(vi) Loss of profit	1335
(vii) Temporary relocation costs and loss of rent	1336
(viii) Subcontractor and supplier warranties	1336
(ix) Betterment	1337
(x) Early replacement	1341
(xi) Residual diminution in value	1341
(xii) Credit if contractor not paid	1342
(xiii) Proof of loss	1342

CONTENTS

Correction of defects by the contractor	1343
(i) Generally	1343
(ii) Order of court or tribunal to correct defects	1343
No remedial work undertaken	1344
(i) Generally	1344
(ii) The reasonableness of repair	1346
(iii) Supervening event	1348
(iv) Sale of property	1348
(v) Assessment of damages	1349
Rejection of contractor's work	1350
Other issues	1350
(i) Time with reference to which damages are assessed	1350
(ii) Burden of proof	1351
(iii) Increase in property value	1352
(iv) Correction of defects by third party at no cost to owner	1352
(v) Set-off and abatement	1352
(vi) Strata title	1352
(vii) Legal costs	1354

CHAPTER 15 CONSULTANTS

Introduction	1355
Consultants' appointments	1356
Architects	1357
(i) The profession	1357
(ii) Responsibilities in contract and tort	1362
(iii) Fees	1368
Engineers	1370
(i) The profession	1370
(ii) Responsibilities	1371
(iii) Fees	1374
Surveyors	1374
(i) Introduction	1374
(ii) Quantity surveyor	1374
(iii) Property surveyor	1375

CHAPTER 16 INTELLECTUAL PROPERTY

Introduction	1377
Copyright	1378
(i) Introduction	1378
(ii) Who owns copyright?	1380
(iii) Copyright licence	1381
(iv) Assignment of copyright	1384

CONTENTS

(v) Infringement	1384
(vi) Remedies for infringement	1387
Ownership and possession of documents	1390
(i) Generally	1390
(ii) Express agreement	1391
(iii) Lien	1392
(iv) Remedies for refusal to hand over documents	1392
Confidential information	1393
(i) Introduction	1393
(ii) Obligation of confidence	1394
(iii) Contractual obligation of confidence	1395
(iv) Permitted use of information	1396
(v) Breach of confidence	1396
(vi) Remedies for breach of confidence	1396

CHAPTER 17 INSURANCE

Introduction	1400
Types of risk	1401
(i) Generally	1401
(ii) Contract works	1401
(iii) Business interruption	1404
(iv) Professional indemnity	1404
(v) Product liability	1405
(vi) Latent defects	1406
(vii) Public liability	1406
(viii) Employers' liability	1406
(ix) <i>Force majeure</i> /unforeseen site conditions	1407
(x) Archaeological finds	1407
(xi) Insolvency	1407
(xii) Material damage	1408
Express obligation to insure	1408
(i) Introduction	1408
(ii) "Joint names" insurance	1408
(iii) Period of cover	1412
(iv) Failure to insure	1413
The nature of insurance cover provided	1413
(i) First party insurance	1413
(ii) Liability insurance	1414
(iii) Policy triggers	1415
(iv) Insured's loss	1417
(v) Financial limits of insurance cover	1417
(vi) Deductible/excess	1418
(vii) Exclusions and extensions	1419

CONTENTS

(viii) Causation	1419
(ix) Time at which loss assessed	1420
(x) Project-specific cover	1420
(xi) More than one insurer	1420
Notification of claims and cooperation	1421
(i) Generally	1421
(ii) Condition precedent	1422
Duty of utmost good faith	1423
(i) Introduction	1423
(ii) Misrepresentation	1424
(iii) Duty of disclosure	1424
(iv) Making of claims	1426
(v) Obligation to take precautions/mitigate loss	1427
Subrogation	1428
(i) What is subrogation?	1428
(ii) Waiver of subrogation	1429
Interpretation of insurance policies	1430
Insolvency or bankruptcy of insured	1431

CHAPTER 18 STATUTORY REGULATION OF WORK

Introduction	1434
Compliance	1435
Planning laws	1436
(i) Statutory and regulatory planning controls	1436
(ii) Private controls on building activity	1438
Building regulations – generally	1439
Building regulations – England	1441
(i) Introduction	1441
(ii) Requirements	1441
(iii) Notification, inspection and approval of plans and work	1442
(iv) Consequences of breach of the Building Regulations	1445
(v) Interpretation	1446
Building regulations – Australia	1447
(i) Building Code of Australia	1447
(ii) Certification of work performed	1448
(iii) Order to perform building work	1449
(iv) Fines and penalties	1449
Building control – Hong Kong	1449
(i) Overview	1449
(ii) Building Regulations	1450
(iii) Non-compliant and dangerous building work	1451
Building regulations – Singapore	1451
(i) Introduction	1451
(ii) Preparation and approval of plans/permit to work	1452

CONTENTS

(iii) Supervision of work	1452
(iv) Certification of work performed	1453
Licensing and registration	1453
(i) Generally	1453
(ii) Failure to hold a licence or be registered	1458
(iii) Disciplinary action – Australia	1460
Published industry standards	1460
EU construction products laws	1461
(i) Introduction	1461
(ii) Construction Products Regulations	1461
(iii) Consumer Protection Act	1463
(iv) Noise emissions	1464
Illegality and criminality	1464
(i) Illegality	1464
(ii) Criminality	1466

CHAPTER 19 HOME BUILDING CONTRACTS

Introduction	1468
Implied terms	1470
(i) Quality of materials	1470
(ii) Fitness for habitation	1470
English law concerning residential building work	1471
(i) Introduction	1471
(ii) The National House-Building Council scheme	1472
(iii) Unfair Terms in Consumer Contracts Regulations 1999	1474
(iv) Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013	1476
(v) Consumer Protection from Unfair Trading Regulations 2008	1477
(vi) Consumer Rights Act 2015 (UK)	1477
(vii) Defective Premises Act 1972 (UK)	1478
Australian law concerning residential building work	1482
New South Wales	1482
(i) Introduction	1482
(ii) Application	1482
(iii) Contractual requirements	1483
(iv) Implied warranties	1484
(v) Compulsory licence	1488
(vi) Home warranty insurance	1488
(vii) Dispute resolution	1491
Victoria	1496
(i) The Domestic Building Contracts Act	1496
(ii) Dispute resolution	1500

CONTENTS

Queensland	1504
(i) Introduction	1504
(ii) Application	1505
(iii) Regulation of domestic building contracts	1506
(iv) Implied warranties	1507
(v) Compulsory licence	1508
(vi) Compulsory insurance	1508
(vii) Dispute resolution	1508
Western Australia	1510
(i) Introduction	1510
(ii) Application	1510
(iii) Contract requirements	1511
(iv) Compulsory insurance	1512
(v) Dispute resolution	1512
South Australia	1514
(i) Introduction	1514
(ii) Application	1514
(iii) Compulsory licence	1514
(iv) Contractual requirements	1515
(v) Implied warranties	1516
(vi) Compulsory insurance	1516
(vii) Demands for payment	1517
(viii) Right to terminate	1517
(ix) Dispute resolution	1521
Tasmania	1518
(i) Introduction	1518
(ii) Application	1518
(iii) Contracts	1519
(iv) Implied warranties	1519
(v) Further obligations of the building contractor	1520
(vi) Dispute resolution	1521
Australian Capital Territory	1521
(i) Introduction	1521
(ii) Application	1521
(iii) Implied warranties	1522
(iv) Residential building insurance	1523
Northern Territory	1523
(i) Introduction	1523
(ii) Application	1523
(iii) Required contractual terms	1524
(iv) Compulsory insurance	1524
(v) Dispute resolution	1525
The Australian Consumer Law	1525
(i) Introduction	1525

CONTENTS

(ii) Application	1525
(iii) Unfair terms	1526
Hong Kong	1526
Singapore	1527

CHAPTER 20 SUBCONTRACTS, ASSIGNMENT, NOVATION, WAIVER AND ESTOPPEL

Introduction	1530
Subcontracts	1531
(i) Definition	1531
(ii) Privity of contract	1531
(iii) Liberty to subcontract	1534
Subcontract terms	1537
(i) "Back-to-back" rights and obligations	1537
(ii) Symmetry of liability	1539
(iii) Arbitration	1540
(iv) Automatic termination of the subcontract	1544
Nominated subcontractor	1544
(i) Generally	1544
(ii) Allocation of risk	1546
(iii) Termination of a subcontract with a nominated subcontractor	1547
Payment to subcontractors	1548
(i) Generally	1548
(ii) "Pay-when-paid" clauses	1548
(iii) Nominated subcontractors	1548
(iv) Direct payment by owner to subcontractor	1549
(v) Trust in favour of subcontractor	1553
(vi) Statutory charge	1553
(vii) Statutory right to withhold payment	1553
(viii) Statutory right of employee of subcontractor to payment	1554
Collateral warranties provided by subcontractors	1554
Assignment	1554
(i) Introduction	1554
(ii) Assignment of contractual rights and debts	1554
(iii) Legal and equitable assignments	1555
(iv) Form of notice of assignment	1557
(v) Future or contingent rights	1558
(vi) Assignment of the benefit of a collateral warranty	1558
(vii) Assignment of a cause of action	1559
(viii) Assignment of right to arbitrate	1560
(ix) Statutory assignment	1561
(x) Joinder of parties	1561
(xi) Restrictions on assignment	1562
(xii) Assignment subject to equities	1565

CONTENTS

Novation	1566
Waiver, election and estoppel	1568
(i) Introduction	1568
(ii) Waiver	1569
(iii) Election	1572
(iv) Estoppel	1573
(v) Effect of contractual provisions	1576
CHAPTER 21 EMPLOYMENT, HEALTH AND SAFETY	
Introduction	1580
Who is an employee?	1580
Employers' health and safety obligations at common law	1582
(i) Safe system of work	1582
(ii) Scope of employer's obligation	1583
(iii) Provision of suitable plant and equipment	1587
(iv) Non-delegable duty	1588
(v) Contributory negligence	1589
(vi) Compulsory insurance	1591
(vii) Proof	1592
(viii) Damages	1594
(ix) The ability of third parties to recover damages	1597
(x) Limitation period	1597
Employers' statutory health and safety obligations	1597
(i) Introduction	1597
(ii) England	1598
(iii) Australia	1606
(iv) Hong Kong	1609
(v) Singapore	1612
Historical background to workers' compensation legislation	1615
Australian workers' compensation legislation	1617
(i) Introduction	1617
(ii) Compulsory insurance	1618
(iii) Procedure for recovering compensation/seeking rehabilitation	1619
(iv) Amount of compensation	1620
(v) Disputes over compensation	1620
(vi) Recovery of common law damages	1620
(vii) Third parties	1621
(viii) Limitation period	1622
Hong Kong employees' compensation legislation	1622
(i) Introduction	1622
(ii) Employers and principal contractors	1622
(iii) Compulsory insurance	1623
(iv) Assessment of and claims for compensation	1623

CONTENTS

Singapore workers' compensation legislation	1624
(i) Introduction	1624
(ii) Compulsory insurance	1625
(iii) Making claims	1625
(iv) Computation of compensation/assessment of claims	1625
Independent contractor	1626
(i) Introduction	1626
(ii) Who is an independent contractor?	1626
(iii) Significance of independent contractor status	1627
Duty of main contractor to subcontractor's employees	1631
Duty of government or public authority	1633
Terms of employment	1634
(i) Employment agreements	1634
(ii) Reduced productivity due to delay	1640
(iii) Obligation to comply with employment laws	1641
Trade unions	1641
(i) Construction trade unions	1641
(ii) Access to union members	1642
(iii) Strikes and other industrial action	1644
Apprentices and trainees	1650

CHAPTER 22 BANKRUPTCY AND INSOLVENCY

Introduction	1654
Bankruptcy	1655
(i) Introduction	1655
(ii) Procedure for bankrupting a debtor	1655
(iii) Trustee in bankruptcy	1657
(iv) Clawback of property	1658
(v) Effect on contract	1659
Corporate insolvency	1659
(i) Introduction	1659
(ii) What is insolvency?	1660
(iii) Administration	1661
(iv) Receivership	1662
(v) Voluntary arrangements and liquidation	1663
Statutory demand for payment	1664
(i) Introduction	1664
(ii) England	1664
(iii) Australia	1665
(iv) Hong Kong	1672
(v) Singapore	1673
The effect of contractor insolvency on a project	1674
(i) Termination of a construction contract for insolvency	1674
(ii) Disclaimer of contract or completion of work by liquidator	1675

CONTENTS

(iii) Specific performance	1675
(iv) Performance bonds and other securities	1675
Effect of insolvency on legal proceedings	1676
(i) England	1676
(ii) Australia	1676
(iii) Hong Kong	1677
(iv) Singapore	1677
Liquidation	1678
(i) Introduction	1678
(ii) Role of liquidator	1678
(iii) Appointment of liquidator – England	1679
(iv) Appointment of liquidator – Australia	1680
(v) Appointment of liquidator – Hong Kong	1681
(vi) Appointment of liquidator – Singapore	1682
(vii) Distribution of company's assets	1682
(viii) Completion of work by liquidator/trustee in bankruptcy	1683
(ix) Disclaimer of contract	1683
(x) Set-off	1684
(xi) Unregistered securities	1684
(xii) Void or voidable dispositions of property	1684
(xiii) Directors' liability	1686

CHAPTER 23 DISPUTE RESOLUTION

Introduction	1687
Dispute-resolution agreements	1689
(i) Compulsory or consensual?	1689
(ii) Dispute-resolution agreements in construction and engineering contracts	1690
(iii) Application of dispute-resolution agreement	1692
(iv) Alternative dispute resolution	1692
(v) Executive negotiation	1693
(vi) Dispute board	1694
(vii) Mediation	1697
(viii) Expert determination	1701
(ix) Contractual adjudication	1712
(x) Breakdown of agreed procedure	1713
Enforceability of ADR agreements	1714
(i) Stay of court proceedings	1714
(ii) Damages	1716
(iii) Ouster of the court's jurisdiction	1716
(iv) Statutory adjudication	1719
Settlement of claims and disputes	1719
(i) Settlement agreements – accord and satisfaction	1719
(ii) Cheques	1721

CONTENTS

(iii) Payment of lesser sum	1721
(iv) Future claims	1722
(v) Concurrent obligations	1723
(vi) Interpretation	1724
(vii) The rule in <i>Biggin v Permanite</i>	1725
(viii) Costs in legal proceedings	1730

CHAPTER 24 STATUTORY ADJUDICATION

Introduction	1734
England	1737
(i) Purpose	1737
(ii) Application of the legislation	1739
(iii) Statutory requirements of adjudication procedure	1741
(iv) The Scheme for Construction Contracts	1743
(v) Adjudication rules	1745
(vi) Existence of a “dispute”	1747
(vii) Commencing an adjudication	1752
(viii) Referral of dispute to an adjudicator	1763
(ix) Procedure	1767
(x) Natural justice	1770
(xi) Jurisdiction	1775
(xii) Early jurisdictional challenge	1780
(xiii) Removal or resignation of adjudicator	1786
(xiv) Withdrawal of claim	1786
(xv) The adjudicator’s decision	1786
(xvi) Enforcement	1796
(xvii) Grounds for opposing enforcement	1800
(xviii) Severance	1830
(xix) Stay of execution	1831
(xx) Subsequent proceedings	1835
New South Wales	1837
(i) Introduction	1837
(ii) Commencing an adjudication	1838
(iii) Content of adjudication application	1841
(iv) Appointment of an adjudicator	1842
(v) Persons eligible to act as adjudicator	1843
(vi) Adjudication response	1843
(vii) Procedure	1845
(viii) Early jurisdictional challenge	1847
(ix) Adjudicator’s determination	1849
(x) Adjudicator’s fees and parties’ costs	1855
(xi) Enforcement of adjudicator’s determination	1855
(xii) Challenges to an adjudicator’s determination	1860

CONTENTS

(xiii) Discretionary considerations regarding enforcement	1873
(xiv) Further proceedings	1875
(xv) Personal liability of adjudicator	1876
Victoria	1877
(i) Introduction	1877
(ii) Circumstances in which an adjudication may be commenced	1877
(iii) Content of adjudication application	1878
(iv) Referral of dispute to adjudicator	1879
(v) Adjudication response	1879
(vi) Adjudication procedure	1880
(vii) Adjudicator's determination	1881
(viii) Review determination	1883
(ix) Enforcement of adjudicator's determination	1885
(x) Payment from principal	1886
(xi) Grounds for opposing enforcement	1887
(xii) Further proceedings	1890
Queensland	1890
(i) Introduction	1890
(ii) Commencement of an adjudication	1891
(iii) Appointment of adjudicator	1892
(iv) Adjudication response	1893
(v) Procedure	1894
(vi) Adjudicator's decision	1895
(vii) Enforcement	1898
(viii) Grounds for resisting enforcement	1899
(ix) Judicial review	1906
(x) Further proceedings	1907
Western Australia	1908
(i) Introduction	1908
(ii) Commencing an adjudication	1912
(iii) Appointment of adjudicator	1911
(iv) Adjudication response	1912
(v) Adjudicator's function	1913
(vi) Adjudication procedure	1915
(vii) Adjudicator's determination	1916
(viii) Enforcement of adjudicator's determination	1918
(ix) Resisting enforcement	1919
(x) Further or other proceedings	1923
South Australia	1924
(i) Introduction	1924
(ii) Entitlement to commence an adjudication	1924
(iii) Commencing an adjudication	1925
(iv) Appointment of adjudicator	1925
(v) Adjudication response	1926
(vi) Adjudication procedure	1926

CONTENTS

(vii) Adjudicator's determination	1927
(viii) Enforcement of adjudicator's determination	1928
(ix) Resisting enforcement	1928
(x) Further proceedings	1931
Tasmania	1931
(i) Introduction	1931
(ii) Entitlement to commence an adjudication	1931
(iii) Commencing an adjudication	1932
(iv) Appointment of adjudicator	1932
(v) Adjudication response	1933
(vi) Adjudication procedure	1933
(vii) Adjudicator's determination	1934
(viii) Enforcement of adjudicator's determination	1934
(ix) Grounds for resisting enforcement	1935
(x) Further proceedings	1936
Australian Capital Territory	1936
(i) Introduction	1936
(ii) Entitlement to commence an adjudication	1936
(iii) Commencing an adjudication	1937
(iv) Appointment of adjudicator	1937
(v) Adjudication response	1938
(vi) Adjudication procedure	1938
(vii) Adjudicator's decision	1939
(viii) Enforcement of adjudicator's decision	1940
(ix) Grounds for resisting enforcement	1940
(x) Further proceedings	1942
Northern Territory	1942
(i) Introduction	1942
(ii) Payment dispute	1942
(iii) Commencing an adjudication	1943
(iv) Application for adjudication	1945
(v) Appointment of adjudicator	1945
(vi) Response to adjudication application	1946
(vii) Adjudication procedure	1946
(viii) Adjudicator's determination	1947
(ix) Effect of adjudicator's determination	1949
(x) Resisting enforcement	1950
(xi) Further proceedings	1952
Singapore	1952
(i) Introduction	1952
(ii) Making an adjudication application	1953
(iii) Appointment of adjudicator	1955
(iv) Adjudication response	1956
(v) Commencement of adjudication and adjudication procedure	1958
(vi) Early jurisdictional or similar objection	1961

CONTENTS

(vii) Adjudication determination	1962
(viii) Adjudication review application	1964
(ix) Enforcement	1965
(x) Grounds for resisting enforcement	1968
(xi) Judicial review	1974
(xii) Further proceedings	1974
CHAPTER 25 ARBITRATION	
Introduction	1977
Sources of arbitration law	1978
(i) Generally	1978
(ii) Express agreement of the parties	1979
(iii) Statute law	1979
(iv) Common law	1981
(v) International commercial arbitration	1982
(vi) Investment treaty arbitration	1985
A comparison of arbitration and litigation	1988
Arbitration agreement	1993
(i) What is an arbitration agreement?	1993
(ii) Writing	1996
(iii) Exclusive means of dispute resolution?	1997
(iv) Arbitration rules	1998
(v) Incorporation by reference	2003
(vi) Implication of arbitration agreement	2005
(vii) Separability	2005
(viii) Applicable law	2007
(ix) Seat of the arbitration	2009
(x) Privacy and confidentiality	2011
(xi) Unenforceable or void	2012
Commencing an arbitration	2013
(i) Notice of arbitration	2013
(ii) Conditions to referral	2015
(iii) Time limits for commencing arbitration	2015
(iv) <i>Scott v Avery</i> clause	2018
(v) Self-executing referral	2020
(vi) Application of arbitration agreement	2020
(vii) The existence of a "dispute or difference"	2025
(viii) <i>Ad hoc</i> submission	2027
(ix) Joinder	2027
(x) Matters incapable of being referred to commercial arbitration	2028
Stay of court proceedings	2029
(i) Generally	2029

CONTENTS

(ii) Loss of ability to obtain a stay	2034
(iii) Damages	2036
Stay of arbitration proceedings	2036
Arbitrator	2037
(i) Capacity, expertise and qualifications	2037
(ii) Appointment	2038
(iii) Jurisdiction	2039
(iv) Revocation of authority by the parties	2044
(v) Removal of arbitrator by the court	2045
(vi) Immunity from suit	2048
(vii) Remuneration	2049
Interim measures	2049
(i) Introduction	2049
(ii) Powers of the tribunal	2049
(iii) Powers of the court	2050
(iv) Security for costs	2052
(v) Preliminary issue	2052
(vi) Freezing order	2053
(vii) Injunction	2053
(viii) Interim payment	2054
(ix) Dismissal of proceedings due to party default	2054
(x) Compliance with peremptory orders	2055
Procedure	2056
(i) Generally	2056
(ii) Statements of case	2058
(iii) Securing the attendances of witnesses and production of documents	2059
(iv) Evidence	2060
(v) Expert evidence	2062
(vi) Appointment of experts, legal advisers or assessors	2063
(vii) The hearing	2063
Duties of an arbitrator	2065
(i) Generally	2065
(ii) Natural justice	2066
Investment treaty arbitration	2070
(i) Introduction	2070
(ii) Rights created and protected by treaty	2070
(iii) Treaty violations	2071
(iv) Preconditions to commencement of arbitration	2072
(v) Remedies	2073
(vi) Costs	2074
Award	2074
(i) Form	2074
(ii) Effect	2077
(iii) Interim and final awards	2078
(iv) Award of money and currency	2078

CONTENTS

(v) Interest	2079
(vi) Costs of the parties	2080
(vii) Non-party costs	2084
(viii) Slips	2084
(ix) Estoppel	2086
Settlement offers	2086
(i) Generally	2086
(ii) Form of offer	2087
Enforcement of an arbitral award	2088
(i) Generally	2088
(ii) New York Convention award	2089
(iii) Registration of foreign judgment	2091
(iv) Investment treaty award	2092
Court review of award – England	2092
(i) Introduction	2092
(ii) Procedural matters	2093
(iii) Question of law	2094
(iv) Serious irregularity	2098
(v) Absence or excess of jurisdiction	2101
(vi) Severance and variation	2101
(vii) Remission	2102
Court review of award – Australia	2103
(i) Introduction	2103
(ii) Application to set aside	2103
(iii) Appeal from an arbitral award	2104
(iv) Time limits	2108
(v) Relief	2109
Court review of award – Hong Kong	2110
(i) Introduction	2110
(ii) Grounds for refusing enforcement under the UNCITRAL Model Law	2110
(iii) “Opt-in” grounds for review	2111
Court review of award – Singapore	2113
(i) Introduction	2113
(ii) Grounds for setting aside award (international and domestic arbitrations)	2114
(iii) Appeal on a question of law (domestic arbitrations)	2116
(iv) Remission (international and domestic arbitrations)	2118

CHAPTER 26 LITIGATION

Introduction	2122
The court	2123
(i) Introduction	2123
(ii) England	2123

CONTENTS

(iii) Australia	2128
(iv) Hong Kong	2129
(v) Singapore	2130
Pre-action conduct	2131
(i) England	2131
(ii) Australia	2134
(iii) Hong Kong	2134
(iv) Singapore	2134
Commencement of proceedings	2135
(i) Filing of proceedings	2135
(ii) Service of proceedings	2136
Multiple parties	2137
(i) Generally	2137
(ii) Procedural issues	2138
Limitation periods	2139
(i) Generally	2139
(ii) Contract	2142
(iii) Restitution	2144
(iv) Acknowledgment of debt	2145
(v) Negligence	2145
(vi) Nuisance	2146
(vii) Special limitation periods	2146
(viii) Modification of limitation period by agreement	2149
(ix) Burden of proof	2150
(x) Amendment to statement of case to add time-barred causes of action	2150
(xi) Effect of adding or substituting new parties to extant proceedings	2152
(xii) Protective actions	2153
(xiii) Estoppel and acquiescence	2153
Pleadings/statements of case	2154
(i) What is a pleading?	2154
(ii) Particulars	2157
(iii) Defence	2159
(iv) Reply	2160
(v) Counterclaim/cross-claim	2161
(vi) Amendments	2161
(vii) Further information	2164
(viii) Scott Schedule	2165
Case management	2167
Production of documents	2169
(i) Disclosure/discovery	2169
(ii) Documents held by third parties	2173
(iii) Privilege	2173
(iv) Inspection/copying of documents	2181
Inspection of property	2182

CONTENTS

Written witness and documentary evidence	2182
(i) Generally	2182
(ii) Witness evidence	2183
(iii) Documentary evidence	2185
Expert evidence	2187
(i) The nature of expert evidence	2187
(ii) The need for expert evidence	2189
(iii) Role of an expert witness	2192
(iv) Joint report	2196
(v) Single joint expert	2198
(vi) Inadmissible expert evidence	2200
(vii) Interrogation of expert evidence	2201
(viii) Immunity from suit	2202
Remedies	2202
Interim injunction	2203
(i) Introduction	2203
(ii) Considerations	2203
(iii) Costs	2206
<i>Ex parte</i> application	2206
Security for costs	2207
(i) Introduction	2207
(ii) Criteria for ordering security	2207
(iii) Amount of security	2211
(iv) Subsequent variation of order	2212
Strike out	2213
(i) Generally	2213
(ii) Want of prosecution	2215
(iii) "Unless" orders	2216
Summary judgment	2217
Default judgment	2220
Interim payment	2222
Freezing order	2224
Court reference	2225
(i) Introduction	2225
(ii) New South Wales	2226
(iii) Victoria	2232
(iv) Queensland	2233
(v) Western Australia	2234
(vi) South Australia	2235
(vii) Tasmania	2235
(viii) Australian Capital Territory	2236
(ix) Northern Territory	2236
(x) Federal Court	2236

CONTENTS

(xi) Hong Kong	2237
(xii) Singapore	2237
The trial	2237
(i) Generally	2237
(ii) Preliminary issue	2238
(iii) Split trial	2240
(iv) Case management of trials	2241
(v) Natural justice	2242
(vi) Receipt of evidence	2243
(vii) Examination of witnesses	2244
(viii) Site view	2247
(ix) Photographs and video footage	2249
Proof	2249
(i) Burden of proof	2249
(ii) Standard of proof	2250
(iii) Deliberate failure to call evidence	2252
(iv) No case to answer	2253
(v) Rules of evidence	2253
Judgment	2254
(i) Generally	2254
(ii) Reasons for judgment	2254
(iii) Setting aside or varying a judgment	2255
(iv) Stay of execution of judgment	2257
(v) Enforcement of judgment	2258
Legal costs	2259
(i) Introduction	2259
(ii) Recoverable costs	2259
(iii) Basis of award	2262
(iv) Standard basis	2268
(v) Indemnity basis	2269
(vi) Multiple parties	2272
(vii) Agreement as to payment of costs	2274
(viii) Assessment of costs	2274
(ix) Costs orders against third parties	2276
(x) Costs budgeting/cost capping	2277
Settlement offers and agreements	2278
(i) Introduction	2278
(ii) Formal offers to settle	2278
(iii) Informal offer to settle	2282
(iv) Consequential orders	2286
(v) Discontinuance of proceedings	2288
Interest	2288
(i) Pre-judgment interest	2288
(ii) Post-judgment interest	2294

CONTENTS

Appeal	2294
(i) Generally	2294
(ii) Conduct of appeal	2296
(iii) Disposition of appeal	2297
Finality in litigation	2299
(i) Generally	2299
(ii) <i>Res judicata</i>	2300
(iii) Issue estoppel	2301
(iv) The rule in <i>Henderson v Henderson</i>	2303