

Article Information

Authors: Daniel Fitzpatrick, Angie Kim

Service: Construction Litigation, Projects & Construction

Sector: Infrastructure

SOPA relief slashed for those with large construction contracts with the Crown in South Australia

From 1 May 2025, the *Building and Construction Industry Security of Payment (Exemption) Regulations 2025* (SA) (**Exemption Regulations**) introduce an important exemption to the *Building and Construction Industry Security of Payment Act 2009* (SA) (the **Act**):

The Exemption Regulations provide that numerous sections of the Act won't apply where the contract is with the Crown and the total amount payable over the term of the contract will exceed \$4,000,000.

For such contracts, the Crown's exposure to the "*rough justice*" determinative and enforcement process of adjudication under the Act is wholly removed, and its exposure to progress payment litigation significantly reduced.

It is a move that will no doubt attract the attention of other governments and large developers in the industry for whom 'free-port' exemption from security of payment legislation for their project could have a significant appeal.