



# MEDIA STATEMENT

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## **3-year licence renewals, mandatory mediation in next wave of building reforms**

The latest reforms to Queensland's building and construction industry include three-year licence renewals, mandatory mediation for disputes and increased disciplinary powers for the industry regulator.

The Queensland Building and Construction Commission (QBCC) reforms came into effect last month.

QBCC Commissioner, Steve Griffin, said the reforms would improve the industry for home owners, contractors and suppliers, increase protection and help to produce better, fairer outcomes in disputes.

He said the latest wave of reforms would reduce the cost and regulatory burden on licensees and provide the QBCC with the tools to effectively do its job.

"For example, licensees who choose the three-year licence renewal will pay 17 per cent less than those who continue to pay annual renewals over those three years," Mr Griffin said.

Another change will require the parties in a domestic building dispute to attend mandatory mediation within the QBCC before they can lodge an application for a hearing into their dispute with the Queensland Civil and Administrative Tribunal (QCAT).

"I believe this change will reduce the time and money spent by home owners and licensees in seeking a resolution to their dispute and also decrease the cases heard in QCAT," Mr Griffin said.

The QBCC's Early Dispute Resolution (EDR) system officially started last month but trials of the system since 1 July 2014 have seen 304 home owners and contractors resolve their disputes with it.

"This means 304 people did not have to lodge the \$275 QCAT application fee and have potentially been spared legal fees totalling hundreds of thousands of dollars."

The Commission will also receive more power to take disciplinary action against head contractors who do not pay subcontractors, especially head contractors who are found to have repeatedly failed to pay subcontractors.

QBCC building inspectors will have increased powers for investigating offences, including the ability to request documents for obtaining information such as birth dates of suspected offenders.

“This will improve evidence-gathering for offences such as unlicensed contracting, breaches of financial requirements and when phoenix operators are working behind licensed building companies.”

Other reforms now in effect:

- The QBCC will be able to direct contractors to rectify consequential damage to adjacent properties, protecting home owners if defective building work is being performed nearby.
- Disciplinary proceedings for licensees will be simplified through management by the QBCC, rather than QCAT. This will produce a faster, more equitable regulatory system that is consistent with disciplinary hearings affecting electricians, plumbers and drainers, and pool safety inspectors.
- Amendments to the Building and Construction Industry Payments Act announced in November 2014. The QBCC’s Building and Construction Industry Payments Agency will become a one-stop shop for resolving payment disputes between industry members and create a fairer, more equitable adjudication system.

ENDS

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Queensland Building and Construction Commission [qbccmedia@qbcc.qld.gov.au](mailto:qbccmedia@qbcc.qld.gov.au) Phone (07) 3613 3464