



11 POINTS

7/6/2010

Andrew Barr MLA

MINISTER FOR EDUCATION AND TRAINING
MINISTER FOR CHILDREN AND YOUNG PEOPLE
MINISTER FOR PLANNING
MINISTER FOR TOURISM, SPORT AND RECREATION

MEMBER FOR MOLONGLO

Mr Gary Petherbridge
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I refer to your letter of 26 May 2010 to the Chief Minister in which you outlined your concerns about issues relating to building defects and the current building certification processes. I am responding on behalf of the Government as this matter falls primarily within the planning portfolio.

I am somewhat surprised that the Owners' Corporation Network chose not to respond to my letter of 30 April 2010, which sought your input into proposed reforms.

Notwithstanding, I remain committed to take this matter forward and believe that the only way to do so is to work with industry and owners corporation associations to develop a cooperative approach.

Firstly, I intend to ensure that we have a strong and robust legislative framework to deal with these matters now and in the future.

The Government's action plan will examine the issues closely and consider all available options for reform. Currently eleven measures are being considered, some of which are outlined to you in my letter of 30 April. These eleven measures, which are subject to change, are detailed below for your information:

Legislation/regulation

1. Consider extended warranties legislation, which would establish new timeframes for builders warranty run-off for poor quality work. Proposed that this be 12 months for an individual unit owner and three years for the body corporate, with both dates commencing from the date of settlement as opposed to Certificate of Occupancy and Use.
2. Consider the introduction of a building defects fund, whereby the developer/builder is required to provide a percentage of the cost of each development into a pooled fund.

This could be administered by JACS and has the potential to be used by a claimant, where verified, to repair defective works within the extended warranties period, with any balance of unused funds returned to the developer/builder at the end of the extended warranties period.

Inspections

3. Possible mandatory independent pre-occupancy inspection at first point of sale from the developer/builder to purchaser, accountable to the body corporate. Could be incorporated into the extended warranties legislation at 1 above.
4. Require frame and pre-sheet inspections to be made mandatory on commercial projects.
5. Require wet seal inspections be made mandatory on all projects, (domestic residential and commercial).
6. Regulate tradespersons who undertake wet sealing.

Private building certification

7. Review the current private building certification arrangements, to ensure that the industry and consumers have confidence that these arrangements deliver the best outcome for all.
8. Certifiers and builders to be required to sit a mandatory examination on their knowledge of and understanding of the Building Code of Australia (BCA).
Certifiers and builders to be required to subscribe to / have a copy of the BCA on site.

Education and sanctions

9. It is important to clearly convey the roles and responsibilities of ACTPLA (construction standards that result in a Certificate of Occupancy and Use) versus those of consumer affairs (fit and finish within the limitations of existing legislation).

Education is therefore important for people to understand the distinctions between constructability of a building and the quality of the workmanship. Education of industry about poor practice and to alert potential purchasers to things to look out for is also important.

10. Sponsor and/or judge an industry award for quality of workmanship.

Grades

11. Restate changes to unit titles legislation of 2009 as positive action on the part of Government that amongst other things reduces some of the previous powers of developers through body corporate structures and provides for a future building maintenance fund.

I will also be examining all aspects of the current private building certification processes to ensure that the industry and consumers have confidence that these arrangements deliver the best outcome for all of us.

I look forward to working with you to address the issues under consideration.

Yours sincerely



Andrew Barr MLA
Minister for Planning
07 JUN 2010