



STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

JEREMY HANSON MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), MARK PARTON MLA,
SUZANNE ORR MLA

**Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE**

Asked by MS ORR:

In relation to:

1. Other than legal proceedings what processes are available to individuals to pursue building rectification works?

MINISTER RAMSAY: The answer to the Member's question is as follows:—

When two (or more) parties are in dispute regarding the quality of building works performed, legal proceedings are usually the last option. The umbrella of Alternative Dispute Resolution (ADR) presents a range of options, from negotiation through to formal mediation including the Adjudication process for more difficult cases.

Most issues between an owner and builder are resolved through negotiated agreement and settlement. While the threat of legal action provides a lever for the owners to encourage the builder to come to the negotiating table, it is quite rare for such matters to go to court.

Individuals may also make a formal complaint to the Construction Occupations Registrar under the *Construction Occupations (Licensing) Act 2004*. This results in the ACT Government conducting an investigation into the matter, and then following the Collaborative Defect Resolution model (which falls within the ADR umbrella) the Government acts as a facilitator between the owner and the builder to obtain a remedy as required. As with matters pursued by the individual, the ACT Government prefers to find resolution outside of formal litigation wherever possible and has found CDR to be effective in reducing taxpayer funded litigation to a minimum.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature:

A handwritten signature in black ink, appearing to read "Gordon Ramsay".

Date: 27/1/17

By the Minister for Regulatory Services, Gordon Ramsay MLA