



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
Mr Jeremy Hanson MLA (Chair), Mr Michael Pettersson MLA (Deputy Chair),
Ms Suzanne Orr MLA, Mr Mark Parton MLA

Submission Cover Sheet

Inquiry into Building Quality in the ACT

Submission Number: 102

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Private and Confidential

Re: Enquiry into Building Quality in the ACT

Dear Sir/Madam

We would appreciate your acceptance of a late and brief submission to the above enquiry. Our input had been prompted by our direct experience in the construction of our home in Canberra.

We would appreciate our submission being kept anonymous and/or confidential

Issues we confronted relate to long delays, rising costs, disputes and sub-contractors not being paid without our knowledge, despite assurances that all had been paid by the builder. Statutory Declarations were not regarded as sufficiently important documents to govern behaviour. We also experienced extensive and continuing defects and incomplete works and a lack of quality control.

We engaged an Architect who designed the property and who also supervised its building and the contract with the builder. We paid on the day we received the authority from the Contract Manager and on each occasion. We paid additional monies for some of the works to avoid an argument with the builder, as well as for joinery works, in advance. In essence, we thought we had done everything right to ensure a smooth and enjoyable experience. This could not have been further from the truth.

- (1) **Statutory Declarations** appear to be almost meaningless, or at the least been afforded little real or effective importance. They should be given real significance as a means to ensure that sub-contractors receive payment and the project is professionally managed. In our case it appears that many suppliers and sub-contractors had not been paid although we had paid our monthly accounts on the understanding that trades had been paid up till that point in time.
- (2) Builders who go into liquidation should not be allowed to set up a company under another name and continue operations. There should be a clear mechanism to alert both potential clients and sub-contractors.
- (3) Builders who establish another company after liquidation should not be allowed to “buy” any alleged debt from the liquidator under the new entity and then pursue former clients. Clients have limited or no comeback.
- (4) Builders should be required to have basic business expertise as a requirement of obtaining and/or retaining their licence.
- (5) Builder’s insurance needs to be broad enough to cover all defective or incomplete work, not just works which are deemed structurally unsound.
- (6) Certifiers must be independent and be seen to be so.
- (7) Builders need to be required to have properly qualified foreman on site. The qualifications need to be explicit.
- (8) There must be a way to hold builders accountable for defective work which may not manifest itself in the “window” of the retention period of the contract. Many defects emerge once the property is occupied for a longer period.



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