

Thursday 10 December 2015

MASTER BUILDERS WINS CRUCIAL REFORMS IN FIRST WAVE OF BUILDING LAW CHANGES

“Master Builders welcomes the Andrews government’s introduction of the *Building Legislation Amendment (Consumer Protection) Bill 2015* into Parliament today,” Radley de Silva, CEO of Master Builders Association of Victoria said.

Master Builders’ priorities: Building our Future, released before the State Budget in May 2015, called upon the government to introduce a range of reforms including red tape reduction, tougher requirements for owner-builders and trades registration.

“Master Builders has long been calling for crucial reforms to further the building and construction industry in Victoria, and today’s Bill takes a step towards several key reforms we have been advocating, particularly owner-builder requirements and dispute resolution mechanisms,” Mr de Silva said.

“Hardworking registered builders have faced increased competition from unregistered practitioners and tradespeople, some of whom are inappropriately registered as owner builders. Building work must be done by skilled, qualified people. Owner-builder activity in Victoria is alarmingly high compared with New South Wales and Queensland, and this threatens safety, consumer satisfaction and the reputation of Victorian builders.

“Owner-builders will only be able to complete one home every 5 years, will face a competence assessment and must use registered tradespeople for the work done - which should reduce the frequency of owner-builder projects overall.

“Consumers and builders who are doing the right thing must have a dispute resolution system that treats them fairly and with efficiency. Under the Bill, a new Body called Domestic Building Resolution Victoria will potentially give the parties greater incentives to resolve disputes more efficiently. It is hoped that mandatory conciliation will reduce the number of disputes that reach VCAT and new cost orders arrangements could reduce the number of vexatious claims,” Mr de Silva said.

The Bill also introduces the requirement for builders to re-register every five years.

“Master Builders welcomes the tougher scrutiny of the registration requirements for builders, ensuring that the knowledge and skills of builders is kept up-to-date during their careers.

“Master Builders calls upon the government, Victorian Building Authority and Consumer Affairs to ensure that the system proposed by these new changes will work efficiently and effectively for the Victorian building industry. How these provisions are applied in practice will be crucial to ensuring



that additional burdens are not placed on builders and that they can continue to operate efficiently and effectively for the benefit of the Victorian economy.

“In particular, Master Builders will monitor the application of provisions such as disciplinary action and re-registration requirements, as well as the Code of Conduct provisions, to ensure that builders are treated fairly and appropriately under these new laws,” Mr de Silva said.

“Master Builders calls on the government, in the next tranche of reforms early next year, to introduce the requirement for all tradespeople to be registered, to protect consumers from poor workmanship and arrest the skill base decline in our industry,” Mr de Silva said.

If the Bill is passed it is expected that these amendments will come into force on 1 July 2016 (but no later than 1 July 2017). Reforms in the *Building Legislation Amendment (Consumer Protection) Bill 2015* include:

- Time limited registration (the requirement to renew registration after five years)
- A new Body called Domestic Building Resolution Victoria and changes to dispute resolution mechanisms including mandatory conciliation, new cost orders requirements for appeals and Consumer Affairs Victoria (CAV) taking the role of domestic building dispute resolution body
- Transfer of registration and disciplinary functions of Building Practitioners Board (BPB) to Victorian Building Authority (VBA)
- Extension of the liability for building work to persons controlling the work
- Strengthened regulation of owner-builders, including increasing the period between projects from 3 to 5 years, assessment of knowledge and a prohibition on owner-builders contracting with unregistered practitioners
- Code of Conduct provisions that enables the VBA to prepare and approve a Code of Conduct in consultation with any prescribed organisation representing building practitioners, or alternatively approve a Code of Conduct prepared and submitted by an organisation representing building practitioners
- New grounds for discipline and show cause notices where grounds for discipline exist
- Transparency arrangements in relation to appointment of a building surveyor and Section 37 notices (directions to fix)

Media enquiries:

Leanne Edwards, Manager-Policy & Communications, ledwards@mbav.com.au 0413 450 254

Peter Sackett, Media Adviser, (03) 9411 4534, 0466 777 059, psackett@mbav.com.au