



TOP 10 AMENDMENTS TO THE QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION ACT 1991

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In October 2014, the *Queensland Building and Construction Commission Amendment Act 2014* (“**Amendment Bill**”) was passed. The Amendment Bill amends the current *Queensland Building and Construction Commission Act 1991* (Qld) (“**QBCC Act**”). The QBCC Act affects builders, building owners and building owners who live adjacent to building works that may be adversely affected by any works.

A majority of the amendments proposed by the Amendment Bill came into effect on 10 November 2014. However, the remaining amendments (including Schedule 1B - Domestic building contracts) are effective as of 1 July 2015.

In September 2014, Allana Agnew provided readers with an update in relation to the amended QBCC Act. ([Click here to view our September Update](#)).

According to the Minister for Housing and Public Works, “...the amendments are intended to reduce red tape and create fair regulation so that the industry has the best possible platform for...growth”.

Below is our summary of the TOP 10 amendments to the QBCC Act.

1. LICENSING AND FINANCIAL REPORTING REQUIREMENTS

Licensees will have the opportunity to renew their licence every 3 years as opposed to 12 months and they will no longer be required to provide financial reports to the QBCC when renewing their licences.

2. STATUTORY WARRANTY FOR NON STRUCTURAL DEFECTS

The time period for Statutory Warranties in relation to non-structural defects has been increased from 7 months to 1 year.

3. CONSISTENT DEFINITION OF “PRACTICAL COMPLETION”

The definition of practical completion for domestic building contracts has been changed so there is one consistent definition for both level 1 and level 2 contracts. “Practical Completion” for a domestic building contract is now defined as:

“...the day when the subject work is completed - in compliance with the contract, including all plans and specifications for the work and all statutory requirements applying to the work; and

- (a) without any defects or omissions, other than minor defects or minor omissions that will not unreasonably affect occupation; and
- (b) if the building owner claims there are minor defects or minor omissions - the building contractor gives the building owner a defects document for the minor defects or minor omissions.”

4. VARIATION THRESHOLDS FOR INSURANCE PREMIUMS

If residential (or speculative residential) construction work carried out under a contract is to be varied, then the value of the residential construction work must increase by at least

\$5,000 or more because of the variation before any additional insurance premium is payable.

5. CLAIMS FOR EXTENSION OF TIME

There is now an obligation on building contractors to notify the consumer within 10 business days of becoming aware of the "cause and extent" of any delay when claiming for an extension of time.

6. NO SIGNATURE REQUIRED FOR ANY CLAIM FOR EXTENSION OF TIME

Any request for an extension of time by a building contractor under a regulated contract must be approved 'in writing' by the building owner. The approval does not need to be signed by the building owner. "Writing" also includes electronic communications.

7. BREACH OF WARRANTY PROCEEDINGS

In proceedings for a breach of warranty under a regulated contract, it is now a defence for the builder to prove they were not reasonably given access to the property to rectify any alleged deficiency. For completion, it is also a defence for the builder to prove the deficiencies arose from instructions given by the person for whom the work was done, contrary to written advice of the builder.

8. PROTECTION FOR NEIGHBOURS

The amendments provide greater protection for building owners impacted by works being done on an adjacent property. Contractors will be liable to remedy damage to a neighbouring property, not just any damage incurred on the site on which they are working. The owner or occupier of a residential property adjacent to a building site may request the QBCC to give a direction to remedy any consequential damage to their property.

9. DISCIPLINARY PROCEEDINGS

The amendments introduce a new, free, faster and more consistent process under which the QBCC will deal with all building disciplinary proceedings. Building disciplinary matters are currently dealt with by QCAT, which can be lengthy and costly for licensees.

If a decision is made by the QBCC and a licensee wants the decision reviewed, then they can apply for an internal review of the decision through the QBCC or alternatively they can

appeal to QCAT. The QBCC Act also extends the grounds for disciplinary action to include the failure of a contractor to pay a subcontractor in accordance with their contract.

10. DOMESTIC BUILDING CONTRACTS

The amended QBCC Act introduces Schedule 1B titled "Domestic building contracts" and repeals the *Domestic Building Contracts Act 2000* (Qld) as of 1 July 2015. The amended QBCC Act imposes different requirements for level 1 and level 2 regulated contracts and outlines the minimum requirements for both. To be valid, both level regulated contracts must be in written form, dated and signed by each of the parties.

The difference between the two levels can be summarised as follows:

(a) **Level 1 regulated contracts** are domestic building contracts, cost plus contracts or mixed-purpose contracts for which the contract price, amount payable for contracted services or amount referable to the contracted services (respectively) is more than the regulated amount (\$3,300 or higher, if prescribed in Regulations) but less than the level 2 amount.

(b) **Level 2 regulated contracts** are domestic building contracts, cost plus contracts or mixed-purpose contracts for which the contract price, amount payable for contracted services or amount referable to the contracted services (respectively) is equal to or more than \$20,000.

If you have any further queries about any amendments mentioned above or any other amendments to the *Queensland Building and Construction Commission Act 1991*, then please do not hesitate to contact ClarkeKann.

FOR MORE INFORMATION, PLEASE CONTACT:



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