

## **Media Release | INTERVIEW OPPORTUNITY AVAILABLE**

**Wednesday November 11<sup>th</sup>, 2015**

**Attention Chiefs of Staff/Editor/Producers**

### **QUEENSLAND STATE GOVERNMENT MUST REVIEW LAWS AROUND BUILDING DEFECTS – CONCERN GROWS OVER WHO PAYS**

### **BUILDERS, NOT OWNERS MUST BE HELD ACCOUNTABLE FOR THE UNSAFE MATERIALS USED IN CONSTRUCTION**

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The Queensland State Government is being urged to consider an immediate review of laws around building defects, as property owners around the country stare down the barrel of multi-million dollar rectification bills.

The argument has been made that these costs shouldn't be theirs to deal with in the first place.

Unsafe building materials are causing a defects crisis in the Australian property sector and there is growing concern from heads of the \$1.2 trillion strata property sector that the current legislation on this topic seriously misses the mark.

Sector leaders are outraged that a \$20 million rectification bill has just been served up to fire ravaged property owners in Melbourne over a flammable cladding product, and there are fears that the legislation in Queensland unfortunately paves the way for this to happen again and again.

Strata Community Australia CEO Kim Henshaw and Strata Community Australia (Qld) Senior Vice President James Freestun have put their support behind property owners and managers, with the message that State Governments need to think long and hard about who's responsible for construction flaws.

"For the sake of a property sector expected to house approximately 50% of the state population by 2030, we want the Queensland State Government to urgently review legislation surrounding the rectification of building defects," Mr Henshaw and Mr Freestun said today.

"Owners in a Melbourne property are looking at a bill totalling \$20 million, after an illegal cladding product was found, and there will be thousands of Queensland property owners wondering what this means for them if they wind up in the same situation."

Mr Henshaw and Mr Freestun say the likelihood of this is unfortunately high thanks to the "cost over quality" attitude taken by many within local construction.

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"The standard of local construction is worryingly low and that offers no guarantee that this won't touch the lives of countless Queensland property owners."

"Recent reports have indicated that 85% of the new buildings in our biggest cities are defective and the use of shoddy, imported materials has played a significant role in this failing." (Editors – see attached)

"Make no mistake, property owners and managers in Queensland should be on notice, because on what we've seen so far, this issue could turn their lives upside down."

But Mr Henshaw and Mr Freestun are adamant if common sense is brought to the table, property owners and managers won't be paying for the faults of those involved in construction.

"It's a no brainer, the State Government should be seeking out builders, developers and others involved in the construction process in their search to rectify building defects."

"How can a group not involved the construction of a building be held accountable for the faults made in this process?"

Mr Henshaw and Mr Freestun say beyond looking in the right places, the Queensland State Government also needs to look at the dispute resolution process, which will play a big role in helping owners to recover their monies.

"As present, our understanding is that local authorities don't have the ability to direct rectification bills to anyone but the property owner, so this process needs some close attention until a better solution can be created."

"If owners can't immediately be cut out of the rectification process, then there needs to be a reliable and timely process in place to help recover their money."

"The bottom line however, is that owners and managers shouldn't be faced with the forced reality of entering a legal dispute to recover their monies, so we implore the decision makers in State Government to review legislation immediately, and stop this from eventuating."

What's likely to see Melbourne owners play spectator to a long and drawn out legal process should never have happened to begin with, and we implore the Queensland State Government to ensure this doesn't become a reality for stakeholders in the fastest growing property sector."

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