



# NORTHERN TERRITORY GOVERNMENT MEDIA RELEASE

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## **DR CHRIS BURNS MLA**

Minister for Lands and Planning

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### **CONSTRUCTION INDUSTRY REFORMS TO PROTECT CONSUMERS, SUB-CONTRACTORS, WORKERS**

Territorians facing their biggest financial decision - building a house - will be protected at long last, Lands and Planning Minister Dr Chris Burns said as he announced plans to introduce a wide-ranging package of initiatives for the Territory's construction industry.

"These initiatives deliver on an important Government election commitment to provide home warranty insurance for residential construction in the Territory," Dr Burns said.

"This is a long overdue reform for people at their most financially vulnerable.

"The package is good for consumers, good for subcontractors, and good for workers."

The package consists of four main elements:

- Introduction of compulsory home warranty insurance to protect house buyers from non-compliant works and non-completion of works;
- Introduction of licensing of principal contractors in residential construction;
- Introduction of security of payment arrangements for contracts between principal construction contractors and sub-contractors; and
- Introduction of portable long-service leave for workers in the construction industry.

"In the past, Territory house buyers have been left carrying the can when builders have been unable to complete contracted works," Dr Burns said.

"Buying a house is usually the largest and most significant financial investment undertaken by any individual. The introduction of home warranty insurance will provide essential protection for consumers."

Further amendments to the *Building Act* will require all principal residential contractors working in building areas in the Northern Territory to be registered.

Dr Burns said this would increase consumer protection while recognising builders as professionals.

"The amendments will stop unqualified house builders setting up in the Territory, and will enable our builders to work interstate through the mutual recognition of licensing," he said.

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“The initiatives also include new legislation that will reduce payment delays for subcontractors working on construction projects and provide simple mechanisms to resolve payment disputes.

“The *Construction Contracts (Security of Payments) Act* will provide an effective and swift dispute resolution process. Qualified experts will be registered and will be able to adjudicate on any contract disputes.

“This process will be simple, cheap and readily accessible.

“Under this reform, contractual provisions that delay or stop the movement of funds down the contracting chain will be prohibited. The legislation provides a fair go for all.”

The package of initiatives also provides for portable long service leave for the construction industry.

“The Northern Territory is the only State or Territory that does not currently provide portable long service leave in the construction industry,” Dr Burns said. “This is having an impact on attracting and keeping experienced workers in the Territory.”

Dr Burns said the package of initiatives had been the subject of lengthy consultation with industry representatives, peak bodies and workers’ unions through the Construction Industry Reference Group (CIRG). Dr Burns thanked members of the CIRG for the many hours of valuable input they had made to the CIRG process.

“Members of the CIRG have expressed a strong wish to maintain the CIRG as an industry forum and an avenue for feedback to Government,” Dr Burns said.

“I am pleased to say that the CIRG will be maintained for these important reasons. Secretariat support will be provided by the Department of Infrastructure, Planning and Environment.

“Like any major reform, there are different views on aspects of the reform package, particularly on issues like timing and implementation. While some sectors of the industry would have liked to have seen the reform package take a more regulatory approach to industry licensing, I am confident that this package greatly improves consumer protection – something that the Territory Opposition ignored for 27 years – and provides a modern working model for the Territory.

“The Government will continue to put the Territory first and deliver on our election commitments.”