

# HOW TO AVOID BUILDING DISPUTES

Most building disputes that QBCC receives are about defective building work. However, contractual issues, poor communication, or poor documentation can also lead to building disputes.

Disputes can cause inconvenience, stress and financial burden for homeowners and contractors, so it is in everyone's interest to avoid them if possible.

Here are some tips for contractors and homeowners on how to avoid or work through building disputes.

## Why do disputes happen?

Building disputes happen for different reasons:

- Homeowners may be genuinely dissatisfied with finishes that actually meet minimum industry standards, e.g. acceptable imperfections in finished work
- Contractors may consider that completed building work is adequate even though it may not meet minimum industry standards
- Owner expectations about the finished result may not be set at the right level
- Poor communication and personal pride can be a barrier to achieving quick and practical solutions to disputes.

## What can contractors do to avoid disputes?

- Draw up pre-engagement agreements that clearly state the homeowner's purpose and define the contractor's scope of work or limits
- Show samples of finished work, such as display homes, so the homeowner knows what to expect from their own project
- Discuss manufacturer's recommendations to clarify industry standards and owner maintenance responsibilities

- Consult with industry associations who can recommend efficient approaches to achieving acceptable standards.

## What can homeowners do to avoid disputes?

- Understand the sequence and key aspects of the building process. 'The Home Owner Building Guide' is a series of educational videos for home owners, covering all aspects of the building process. It's available on the QBCC website at [www.qbcc.qld.gov.au](http://www.qbcc.qld.gov.au)
- Make sure the builder, trade contractor or building designer has a current QBCC licence for the work to be done - ask to see their licence card, then call us or visit the website to check that they have got the right licence for the job
- Choose a builder, trade contractor or building designer whose work is recommended by past customers
- Check the contract clearly states the extent and timing of work to be done, total price and payment details
- Understand the rights and responsibilities of all parties detailed in the contract
- Make sure the contractor gives you a copy of the contract information statement and any required foundations data before signing the contract
- Check the contract and any variations are signed by both parties (and copies are kept on file).

## How can disputes be managed?

Building disputes that go before the Queensland Civil and Administrative Tribunal (QCAT) often involve a long, stressful and costly journey. Extended disputes can mean extra fees, fines or penalties, and/or court orders against the contractor or homeowner.

However, there is an alternative. QBCC's dispute resolution process encourages informal documented agreement between the contractor and the homeowner. QBCC helps both sides understand how to avoid conflict with better communication and documentation.

Using a respectful 'give and take' approach, parties can usually resolve problems quickly and cheaply, without going to QCAT.

### **What happens if the dispute cannot be resolved?**

If mediation fails to resolve the problem informally, QBCC can (based on documented evidence):

- assess defective building work
- direct the contractor to rectify work
- issue fines and licence demerit points
- post contractor performance records on the QBCC website
- pursue parties in court.

### **Need more information?**

Visit [www.qbcc.qld.gov.au](http://www.qbcc.qld.gov.au) or call QBCC on 139 333 and we can assist you with resolving your dispute.