



Department of Environment, Land, Water and Planning

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Victoria 8002 Australia
delwp.vic.gov.au

AUSTRALIAN INSTITUTE OF ARCHITECTS
LEVEL 1, 41 EXHIBITION STREET
MELBOURNE, VICTORIA 3000

Ref: MBR047623



29 September 2022

Dear Sir or Madam,

RELEASE OF THE TERMS OF REFERENCE FOR THE PROPOSED ALTERNATIVE DISPUTE RESOLUTION SCHEME FOR INDUSTRY CONSULTATION

I am writing to seek input from your association and its members to influence and shape the terms of reference (terms) for the State's proposed Alternative Dispute Resolution (ADR) Scheme for parties involved in the installation of combustible cladding.

Since 2017, and following tragic global events, the Victorian Government's response to the installation of dangerous combustible cladding has involved the Department of Environment, Land, Water and Planning (DELWP), the Victorian Building Authority (VBA) and most recently Cladding Safety Victoria (CSV). CSV are currently delivering a \$750 million Cladding Rectification Program, the aim of which is to remove dangerous combustible cladding from the highest risk residential and government buildings.

The Victorian Government intends to seek to recover the funding expended for the Cladding Rectification Program and has made amendments to the *Building Act 1993* to facilitate the recovery of costs where CSV has funded cladding rectification. The Victorian Government is aware of the serious impact that this has had across the Victorian community and in parallel continues to improve the regulatory framework to restore confidence in the building industry for both consumers and building practitioners.

An important step in recovering costs and improving practitioner behaviour, is to take action against practitioners that have been responsible for the installation or use of non-compliant combustible cladding. The State is proposing an ADR Scheme that provides an opportunity for parties involved in the installation of combustible cladding to voluntarily come together, in a without prejudice environment and assisted by a skilled conciliator, to arrive both more economically and expeditiously at a settlement outcome. The scheme is intended to support Government to pursue claims against parties responsible for the installation of non-compliant combustible cladding as an alternative option to traditional litigation.

Before implementing the Scheme, the Government will shortly seek input from industry stakeholders and participants who are likely to be involved in responding to claims, about the draft terms for the ADR Scheme.

The draft terms, accompanying guidance and process map will shortly be released to seek feedback from key industry groups. You are encouraged to review the terms of the scheme and discuss with fellow members of your industry association. Feedback can be provided via the survey at [Alternative Dispute Resolution Scheme Draft Terms of Reference | Engage Victoria](#) until Monday 31 October 2022

Upon completion of the survey, if you or your members need any additional information about the ADR Scheme or would like to provide feedback via email attachment, please contact combustiblecladding.costrecovery@delwp.vic.gov.au. The Government will consider the feedback provided in the final design of the ADR Scheme.

Any personal information about you or a third party in your correspondence will be protected under the provisions of the *Privacy and Data Protection Act 2014*. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorized by law. Enquiries about access to information about you held by the Department should be directed to foi.unit@delwp.vic.gov.au or FOI Unit, Department of Environment, Land, Water and Planning, PO Box 500, East Melbourne, Victoria 8002.



OFFICIAL-Sensitive

We kindly request that when completing the survey, you indicate whether your feedback is provided on behalf of an industry association, company, or as an individual, noting that personal information will be collected and stored in accordance with *Privacy and Data Protection Act 2014* (Vic).

We intend to use the feedback that you provide to assist the State in formulating key components of the ADR Scheme such as the terms. Your personal information relating to your name and the membership you hold in any trade/professional association will be stored along with your feedback in a secured online location, access to which will only be provided to select DELWP personnel. You may access the information that you have provided by contacting DELWP at the above-mentioned email address. Should you require further information about privacy at DELWP, please access DELWP's [Privacy Policy](#).

Following careful analysis of the feedback, the terms of the Scheme will be finalised and made publicly available.

Yours sincerely



Dr Trevor Pisciotta
Executive Director
Building

29 / 09 / 2022

CC: Cladding Safety Victoria

The Victorian Building Authority