

**Submission
No 27**

PROFESSIONAL ENGINEERS REGISTRATION BILL 2019

Name: Name suppressed
Date Received: 13 January 2020

Partially
Confidential

Dear Alex Greenwich MP,
Chairman, The Committee of Environment and Planning

Re: - Building Professionals Regulation

Thank you for the opportunity to submit to this inquiry, concerning a tighter regulation in registering engineers and other building professionals.

As a self-funded retiree, who has downsized to an apartment living in the Sydney CBD and has apartment properties to supplement my retirement, I have great concerns about the integrity of the apartment building industry and the robustness of the regulations for consumer protections. The reliance on and the concept of “caveat emptor” is far inadequate to secure a viable economic future for this industry, if the consumers’ powers are not balanced with those of the developers and builders. There are good developers and builders and there are bad ones as well. For the consumers with limited resources to sort all the good ones from the bad ones is a mammoth task. People will lose trust in buying off-the-plan apartments. With over supply of apartments and loss of consumers’ confidence, the future of NSW economy is bleak.

Firstly, if the developers and builders promote their development in the names of their appointed engineer and/or architect, there is no guarantee the said engineer and/or architect have been assigned throughout the whole development process to the completion. The stricter registration of engineers, architects and other building professionals is a step to the right direction, ensuring only qualified engineers and architects are engaged for the jobs. Even then, there is no guarantee that the developers and builders will follow the engineers’ and the architects’ specifications.

The everyday consumers would rely on these specifications for a solid and sound basis for the purchase of the apartments, which is also reassured by the certificate of occupation by a reliable authority. As a normal purchaser of an apartment, accessibility of these specifications from the developers and/or builders has not been heard of in the past. Even if the purchaser has access for these documents, how we render these terms and conditions into a sale contract agreeable to both the purchaser and the developer is a huge challenge to the consumer.

Since the discovery of various buildings’ major defects, the exposure of self-regulations in this industry has really rocked the foundation of consumer confidence. After all, who wants to lose one’s lives and all of one’s life savings in such a rubble of cracking concrete, ingress of water from bursting pipes, and life-threatening overhanging live-power-wires. All these defects are affecting the common property within the development. The common property is in the domain of the Building Management Committee (BMC), which is normally controlled by the Developer, who makes sure, they have enough voting power prior to lot owners coming onto the scene. Until and unless the Strata Management Act addresses this anomaly, the lot owners and owners’ corporations are powerless to take action to protect their interest in the development or the complex they live-in.

The NSW Home Building Act, 1989 is a piece of legislation designed to protect homeowners from defective building works. When parliament passed the legislation into law it recognised that homeowners were disadvantage when dealing with Builders and Developers. This well-meaning legislation has not been complemented or supplemented with the regulations in the residential building

industry itself. The self-regulation of this industry has overridden any protections for consumers by the following: -

1. There are no contractual obligations between purchasers of apartments and the developers, builders and their subcontractors, including engineers, architects and certifiers for any process of the development. These contractual obligations are open-ended.
2. There is no statutory obligation for the developer and builder to assure quality of work, ensuring each stage of the building processes has robust cross-checks and balances.
3. There is no certification by the developer and the builder that their completed apartment block is safe and sound for human occupation and a guarantee for at least twelve years for major defects. If you buy a car, the manufacturer will honour its warranty over a period. Why does buying an apartment not have such warranty by the developer and builder?
4. Builders are not well known in maintaining and in documenting building works and processes. As a result, to retrieve the database for various tasks, progresses and persons responsible for them can be a challenge.
5. Without proper procedures and rules governing the works of developers and builders, tighter regulations for engineers, architects and other building professional would be a futile exercise.
6. To make the tighter regulations for the building professionals, we need a strong and robust governance for developers and builders.
7. To empower the purchasers of apartments, protecting their life savings investment, the Strata Management Act 2015 needs to be brought up to date. This includes the building management of the development or complex.