

**Submission
No 112**

**INQUIRY INTO REGULATION OF BUILDING
STANDARDS, BUILDING QUALITY AND BUILDING
DISPUTES**

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We moved into our unit in 2011. It was our first foray into strata, and we felt confident that a relatively new development, incorporated in 2008, would be low maintenance, at least for some time. We did due diligence, read past committee reports and found no indications of serious problems. However, after the first big storm hit the area after we moved in, a cascade of problems became evident necessitating special levies, most of them concerned with waterproofing and poor workmanship. In a small block of nine units and two shops, seven units and one of the shops experienced significant water penetration, one of them, with standing water in two of the bedrooms.

It transpired that there had been problems all along with less dramatic water penetration and mould problems but successive committees had basically covered it up, (the then Secretary was tight with the builder) no serious investigative work was done, and the builder's company Gateview Pty. Ltd., went bankrupt ahead of major remedial expenses, only to resurface, with the same brothers as directors, under various names, most recently Level 33.

The owners have so far paid four rounds of special levies to fix a host of problems, with about \$150,000 spent so far.

Flooding of units was caused by failure to follow regulations during bricklaying, with piles of rubble and debris left in the wall cavities, and weepholes plastered over. These errors, I must add should have have been seen and corrected but the building inspector signed off on all stages of the build despite multiple glaring errors and omissions.

Along with the expenses relating to water ingress, the building was fitted with the incorrect type of sliding doors, of inferior grade and quality, all of which were jamming and leaking water. Most of them had to be replaced, and the tiles and masonry work ahead of them had to be removed, resealed and replaced. All flashing around the building had to be replaced and weep holes created on all three levels.

Another unit had to have all floor tiles replaced after they popped up to due an incorrectly laid tile bed. Again, the fault of a negligent building inspector.

Most recently one of the penthouses has been found to have defective tile work and under tile waterproofing, and the tiles on all three balconies, plus one of the bedroom doors, will have to be replaced. By the time we are finished, the total expenses will have passed \$250,000, a lot of money for such a small development.

I might add that we are fortunate, in comparison with most new developments, in that there are no serious structural defects, and all that we have suffered is at least fixable, as long as the owners can afford to keep paying for it. Of course all this has caused considerable hardship for some.

All of this was avoidable and in our opinion there are several issues that need to be addressed to stop such things in future:

- 1) Force all builders and developers to carry sufficient funds or insurance to make good all building defects, even if found outside building warranty, as long as they can be clearly linked to defective works.
- 2) Expand the warranty period to at least 10 years.
- 3) Get rid of private certifiers who are more concerned with money than ethics.

- 4) Change the law to prevent builders liquidating their companies to avoid responsibility, and then resurfacing in a different company name to do the same thing again.
- 5) If Private certifiers remain, make them directly responsible for expenses caused by their approval of defective work or work that is not compliant with regulations governing the DA.

Although not strictly related to the issue of building defects and warranties, it might be worth noting that dodgy builders are dodgy in all kinds of other ways that should also be addressed. In our case, the builder made last-minute changes to the parking configuration to carve out four shop spaces, where the regulations call only for two. Two of the spaces should have gone to three bedroom apartments. The builder retained ownership of the two shops, which are leased, and illegally enclosed these four contiguous spaces behind locking electric doors to form a large storage area, which he used as a rent-free storehouse for his building materials for nearly seven years before an incoming new committee examined the plans and found out what he had done. We ordered him to take down the doors and remove his goods from the common property. It took three months and the removal of the doors at owners expense before he finally vacated the space he had illegally occupied all those years. He has never offered a penny of compensation.

This is the kind of character that the building industry attracts; fraudsters, chancers, and dubious characters of all kinds. This industry needs major reform, and needs some serious laws with serious penalties to rein in what I believe is widespread criminal and generally dubious practices.

Lastly I call for the government to force the building industry as a whole to create a large fund to finance the remedial repairs that unit owners such as us have been forced to bear. Make them all pay for the perfidy of the worst among them, and I believe that will clean the industry out far and more effectively than anything else.