

**Submission  
No 128**

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

**Name:** Mr Charles Slack-Smith

**Date Received:** 28 July 2019

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# GROUP DLA

25/07/2019

Attention: Public Accountability Committee,

## **RE: FORMAL SUBMISSION**

### **Inquiry into the regulation of building standards, building quality and building disputes**

Thank you for the opportunity to make a submission to this Inquiry.

### **I fully support the AAC submission and in addition make the following comments**

#### **Company Background (Group DLA Pty Ltd)**

Group DLA is a small business, being Sydney based professional services group offering specialist Certification and Building Code of Australia (BCA) Consultancy, to all manner of clients and projects across every major property sector.

As a market leader in its field, Group DLA is passionate about a project's success and strives to achieve a built environment that is a better and safer place to live and work for the broader community.

With the benefit of a diverse team of Grade A1 Accredited Certifiers, we have gained extensive experience through our involvement in a wide range of projects in differing regulatory environments.

We are committed to continual improvement/ advancement as a firm and individuals, and importantly the industry and public perception of "Accredited Certifiers". For this reason, we are highly invested in the subject enquiry, and passionate about **long overdue better regulation** which will improve outcomes for all stakeholders.

Please see below synopsis of critical points, which forms the basis of my submission;

#### **Issues**

Some of the key issues that need to be addressed in the NSW building industry include:

- **Access to Professional Indemnity (PI) Insurance – including availability and costs.**

This is crippling businesses (of all sizes) and leaving the individual Certifier unreasonably exposed. As it stands, insurers have **ZERO** appetite to insure Certifiers (even with the recently introduced cladding exclusion).

There no insurers are left in the market, meaning in a few months' construction will likely come to a crippling halt, as uninsured Certifiers are forced to "down tools".

- **Addressing the historic liability issues confronting Accredited Certifiers.**

Legislation currently leaves Certifiers as **"the last man standing"** with a mandated 10yr runoff period (no other stakeholder in the project process aligns with this).

This is not only short-sighted and unreasonable, but a **HUGE** factor in repelling potential candidates for a career in our industry, stifling encouragement of high-quality talent. An alignment of PI terms, duration and run off is to be sane for all and mandated.

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- **Addressing the skewed nature of liability facing Accredited Certifiers.**

Currently as the only accredited and mandatory insured party, Certifiers are over exposed. If all other professionals in the building process were also forced to be accredited/ licensed & hold mandatory PI, they would very quickly adhere to higher standards (eliminating the current substandard practices subject to media focus), due to the simple fact they could lose their accreditation or be sued. Currently, there is nothing compelling builders, designers, contractors, consultants, engineers, and others to “do the right thing”.

- **Stakeholder Accountability**

The need for all parties involved in the building product supply chain need to be accountable for the products that they prescribe, specify, purchase and use in the construction of a building.

## **Critical Changes (Required ASAP)**

Changes to be introduced in NSW include as a matter of urgency:

- Immediate government cover for the recently regulated exclusions, as I worry about our staff and company should we have a claim made against us in the future relating to these area excluded.
- All professionals involved in the design, installation and approvals process **must** be accredited by a single Government body, not by individual member organizations.
- All professionals involved in the design, installation and approvals process **must** hold PI (with corresponding run-off period in line with the Certifier).
- Comprehensive ongoing auditing of all accredited or licensed persons.
- All persons involved in the certification of any engineering design or technical aspect of construction must issue a certificate on a **standard form that is mandated by government**, that holds weight universally for reliance upon by the Certifier (and assumes appropriate accountability for the signatory).
- All parties involved in the building product supply chain need to be accountable for the products they sell, prescribe, specify, purchase and use.
- Strengthen the administration of building regulation in NSW by bringing building regulations and control functions into one portfolio, reporting to one Minister
- Capping of liability for all parties to a Maximum of \$500,000 to \$1Million per company to entice insurers back to the market at least for the near term as high PI has not effected compliance outcomes and all it does is force insurers out of the market when things get rocky
- The disconnect between the design and the final product handed over needs additional regulation, auditing and licensing, as well as the BCA, no one person can know all of this in detail and the full certification system envisaged by the extensive group of C Grade Certifiers is one that should be mandated

I would welcome the opportunity to elaborate further, and gladly make myself available to meet with any representative to discuss the above in detail with examples.

Yours sincerely,

**Charles Slack-Smith**

Director

Accredited Certifier (Grade A1 – Unrestricted) MAIBS, MAAC, MFPA.

# GROUP DLA

## GROUP DLA

Level 7, 10 Bridge Street, Sydney, NSW 2000

T +61 8355 3160 F +61 2 8355 3169

[www.groupdla.com.au](http://www.groupdla.com.au)