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

Organisation:

Local Government NSW

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# Draft LGNSW Submission to NSW Legislative Council Public Accountability Committee *Inquiry into Regulation of building standards, building quality and building disputes*

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## **Executive Summary**

Local Government NSW (LGNSW) appreciates the opportunity to make this submission to the NSW Legislative Council Public Accountability Committee Inquiry into the regulation of building standards, building quality and building disputes. Change is much-needed.

LGNSW believes many of the problems with building certification and regulation stem from the unclear roles and responsibilities of all players, and from a lack of regulatory clout and oversight by the Building Professionals Board (BPB). Issues with the performance of the BPB include a lack of clear policing of certifiers; insufficient penalties; poor disciplinary action; ineffective audits; and delays with complaints handling.

Another longstanding matter is the conflict between the obligations of the certifier to the property owner (i.e. their client/customer), and their legal obligations as a 'public officer'. Various options have been considered to address this issue, but it remains an inherent problem. A rigorous audit program is one means through which this issue could be addressed, as recommended in 2002 by the Campbell Inquiry.

The NSW Government's discussion paper (July 2019) and the appointment of a building commissioner are positive steps towards fixing the problems and delivering safe and compliant buildings that protect the public interest. Other changes promised by Government including addressing conflicts of interest, implementing a four-point plan and annual audits have not progressed.

LGNSW is concerned some observers have suggested that all certification should be returned to councils or that councils should take up new or expanded enforcement/checking roles over private certifiers, without any consideration of the impacts. Any proposal to expand the role of local government in regulating private certifiers would amount to a cost-shift and would need to be fully funded, and subject to prior thorough consultation with local government.

LGNSW advocates for:

- Tighter and more effective regulation of private certifiers by the State Government's building regulators – new regulatory arrangements must be strong, proactively enforced and subject to regular and rigorous audit.
- The State Government to take priority action to address the issues identified in the NSW
  independent review of the Building Professionals Act 2005 and the Shergold Weir Report.
- A single regulatory body responsible for building regulation and certification that is independent, well-resourced, effective and accountable.
- Extensive consultation with local government on any proposed changes to strengthen building regulation.
- Complying development to be limited to low risk or low impact development, with clearly defined parameters.
- Provisions to protect consumers of building developments against the unsatisfactory
  professional conduct or professional misconduct of any private accredited certifier who
  practices as a public official but not in the public interest.

Ad hoc and reactive reforms will be of limited value if the fundamental issues and concerns with building regulation are not comprehensively addressed. The Lambert Review and Shergold Weir Report have laid the groundwork for a program of change, and all that is needed is a commitment and funding from the NSW Government to make it happen.



## 1. Opening

LGNSW is the peak body for local government in NSW, representing general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

LGNSW welcomes the opportunity to make a submission to the NSW Legislative Council Public Accountability Committee inquiry into the regulation of building standards, building quality and building disputes.

This inquiry is timely given heightened awareness of problems with the building sector in NSW following high-profile evacuations from unsafe apartments. At the same time, the Building Ministers Forum<sup>1</sup> agreed to a national approach to implementing the Shergold Weir Building Confidence Report<sup>2</sup> (July 2019) and the NSW Government released a discussion paper proposing partial reforms in three areas of the building process.

LGNSW has highlighted councils' concerns about the inadequate regulatory framework and lack of enforcement by the regulator - the Building Professionals Board (BPB) - over many years. These concerns align with the industry's views and findings of the *Independent Review* of the Building Professionals Act 2005<sup>3</sup> commissioned by the NSW Government in 2015.

LGNSW and councils want the building and certification system to deliver well-built, safe and compliant buildings that protect the public interest. The piecemeal, reactive approach taken to date has not only failed to address the underlying issues, but has exacerbated the problem due to the rapid pace and scale of development in NSW. The NSW Government must commit to tackling this issue head-on for the people and economic prosperity of NSW. They must commit to fully resourcing and delivering a comprehensive program of reforms as recommended in both the Lambert Review and Shergold Weir Report, over their next four years in Government.

This submission is structured as follows:

- Section 2 terms of reference for the inquiry;
- Section 3 response to each of the terms of reference; and
- Section 4 concluding remarks.

This is a draft submission awaiting review by the LGNSW Board. Any revisions will be forwarded in due course.

### 2. Terms of reference

The Public Accountability Committee is inquiring into the regulation of building standards, building quality and building disputes by government agencies in New South Wales. The terms of reference cover:

a) the role of private certification in protecting building standards,

<sup>&</sup>lt;sup>1</sup> Building Ministers' Forum, Communique, 18 July 2019

<sup>(</sup>https://www.industry.gov.au/sites/default/files/2019-07/bmf-communique-18-july-2019.pdf)

 <sup>&</sup>lt;sup>2</sup> Shergold, P. and Weir, B., Building Confidence: Improving the effectiveness of compliance and enforcement systems for the building and construction industry across Australia, February 2018
 <sup>3</sup> Lambert, Michael, Independent Review of the Building Professionals Act 2005 – Final Report, October 2015



- b) the adequacy of consumer protections for owners and purchasers of new apartments/dwellings, and limitations on building insurance and compensation schemes,
- c) the role of strata committees in responding to building defects discovered in common property, including the protections offered for all strata owners in disputes that impact on only a minority of strata owners,
- d) case studies related to flammable cladding on NSW buildings and the defects discovered in Mascot Towers and the Opal Tower,
- e) the current status and degree of implementation of recommendations of reports into the building industry including the Lambert report 2016, the Shergold/Weir report 2018 and the Opal Tower investigation final report 2019, and
- f) any other related matter.

### 3. Comments on terms of reference

#### 3.1 Role of private certification

The critical **issues of lack of accountability**, **private certifiers' role as 'public officials'**, **and conflict of interest** (where builders/developers pay certifiers to issue certificates for buildings to be approved, certified and occupied) are causes of great concern for local government.

The Lambert Review identified "a lack of clarity about the roles, responsibilities, functions and accountability of private certifiers, which is clearly a major deficiency given the importance of the role of private certifiers for the functioning of the regulatory system. There is not in place at present a practice guide for how building certifiers should approach their function statement and no program of audit to assess how well they are undertaking their function"<sup>4</sup>.

The Lambert Review contains a suite of proposals to "enhance the accountability of certifiers to act in the public interest"<sup>5</sup>. These were strongly supported by industry, councils and the government at the time, and work was started on the practice guide with input from councils at the time, but it has never seen the light of day. An audit program is equally achievable, without legislative change, yet has never progressed. Both should be progressed as a priority.

More detail on conflict of interest and accountability issues are outlined below.

#### **Conflict of interest**

LGNSW supports the Campbell Inquiry recommendation to have targeted auditing where there is a 'close relationship' between the developer and the certifier.

The inherent conflict of interest between a private certifier's legal responsibility as a 'public officer' (i.e. to act in the public interest) and their commercial interests has been a major flaw in the private certification system since its introduction in 1998.

Councils tell LGNSW that the conflict of interest issue makes some certifiers reluctant to take enforcement action. This can occur in situations where development under construction

<sup>&</sup>lt;sup>4</sup> Michael Lambert, *Independent Review of the Building Professionals Act 2005* – Final Report, October 2015, p. 15

<sup>&</sup>lt;sup>5</sup> Michael Lambert, Independent Review of the Building Professionals Act 2005 – Final Report, October 2015, p. 297-298



contravenes the development consent. In this situation, rather than issue a notice to rectify a non-compliance, or stop work, a certifier may avoid enforcement action by advising their client (the builder/developer) to go back to council and seek a modification of consent.

Because no stop work order has been issued, work progresses, and when council considers the matter the work may have already been completed. This scenario places undue pressure on council to determine the matter favourably, as the works are already constructed, and any refusal imposes costs on the owner to demolish and/or rectify/rebuild. This is an undesirable situation for all parties and highlights the importance of new measures such as audits to reduce the opportunity for poor outcomes arising from conflicts of interest to occur.

In 2018, the NSW Government released an Options Paper<sup>6</sup> to address concerns about the independence of private certifiers and perceived and real conflicts of interest. LGNSW's <u>submission</u> welcomed the Government's attempt to address the issue. However, there were several practical difficulties with the options proposed and it is understood that there was little industry support for any of the options. There has been no word from the Government on initiatives to address the lack of independence between the certifier and builder/developer and the problem remains.

This issue was highlighted as far back as 2002 in the *Report Upon the Quality of Buildings* in 2002 ('Campbell Inquiry'):

The Committee believes that appropriate oversight of the potential conflicts of interest between certifiers and developers can be achieved by other means, in particular, a specific scrutiny program within the general certifier auditing program.

The Committee recommends that the certifier auditing process include a "*close relationship*" audit regime, where certifiers who have a significant repeat client or a client who is a significant income source for the certifier are identified and focused upon for targeted auditing within the general certifier audit program. The Committee would see the Commission developing appropriate thresholds or indicators of close relationships.<sup>7</sup>

#### Accountability

Local government wants to see a system which ensures that all parties are responsible and accountable for their actions, and the community and public interest is at the forefront.

One of the core issues is that the only person in the development process that is being held accountable and is required to hold insurance is the accredited certifier. A certifier cannot reasonably take on responsibilities and liabilities of the whole design and construction team and each and every contractor. There has been little done to address this issue, yet it was acknowledged by the BPB many years ago: "one of the emerging trends associated with defects in buildings is that some accredited certifiers, as the only holders of mandatory professional indemnity insurance, are reportedly being pursued in legal claims for building work"<sup>8</sup>.

The NSW Government recently proposed the concept of registering 'building designers'. This reform is a positive first step. However, poor quality construction is an equal – if not greater - concern for building defects and non-compliance than the design plans. As recommended in both the Lambert Review and the Shergold Weir report<sup>9</sup>, wider reform is required, where

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<sup>&</sup>lt;sup>6</sup> NSW Fair Trading, *Improving Certifier Independence: Options Paper*, September 2018

<sup>&</sup>lt;sup>7</sup> Joint Select Committee on the Quality of Buildings, ('Campbell Inquiry'), 2002, p 117

<sup>&</sup>lt;sup>8</sup> BPB Submission to NSW Planning System Review, November 2011, p. 11

<sup>&</sup>lt;sup>9</sup> Shergold Weir Report, Recommendation 1, p 15



building practitioners involved in design as well as construction and maintenance of buildings are registered. Further, this registration needs to include<sup>10</sup>:

- compulsory training on the operation and use of the National Construction Code (NCC) as it applies to each category of registration;
- · additional competency and experience requirements;
- where it is available, compulsory insurance in the form of professional indemnity and/or warranty insurance together with financial viability requirements where appropriate; and
- evidence of practitioner integrity based on an assessment of fit-and-proper person requirements.

#### Misunderstood role

Councils repeatedly report there is a general lack of understanding of the role of the certifier. There is a disconnect between the private certifier role and what the public/consumers believe their role to be. Councils are often called on by proponents to help resolve issues with a private certifier when things go wrong, rather than seeking help and advice from the BPB. LGNSW supports any initiatives to improve consumer awareness. This is something that can be done immediately by the new building commissioner.

#### 3.2 Consumer protection

LGNSW endorses the NSW Government's view that "homeowners rightfully expect their building to be built in accordance with applicable laws and that building practitioners should be expected to know whether their work is compliant and bear the risk if it is not"<sup>11</sup>.

For years, our members have sought to ensure adequate compensation is available for landowners who suffer measurable financial hardship resulting from negligent certifiers and other building practitioners.

LGNSW supports moves that would improve financial protection for consumers facing poorquality building work. As a start, building insurance provisions and requirements should be the same for all multi-dwelling residential developments (class 2, 3, 4 and 9c buildings), irrespective of the number of storeys or size of the building.

Reforms are also needed to address the issue of 'phoenix' companies which are used by some in the industry to avoid liability.

LGNSW would also welcome proposals to ensure that the principal contractor and other professionals involved in the design and construction of a building are accountable for their work and hold professional indemnity and run-off insurance accordingly. This will require all building professionals to be registered, as discussed in section 5.1 of this submission.

Nevertheless, having compensatory measures/provisions in place should in no way diminish the need to achieve quality building outcomes in the first place. As LGNSW and councils have stated repeatedly over the years, this will only be achieved through a comprehensive set of reforms which includes proper accountabilities for all building practitioners; strengthened certifier independence; and effective enforcement, oversight and auditing.

<sup>&</sup>lt;sup>10</sup> Shergold Weir Report, p 17

<sup>&</sup>lt;sup>11</sup> NSW Government Response to Shergold Weir Building Confidence Report, February 2019, p 11



#### 3.3 Role of strata committees

One of the concerns with multi-unit (strata) residential projects under current practices, is that there is no one to represent the end user or purchaser's interests during the construction phase. This was previously done by a clerk of works, or the architect in a full-service engagement. Many industry professionals have observed that the evolution of design and construct (D&C) contracting for major construction projects sees pressures to reduce costs and modify the development throughout construction to benefit the project in favour of the builder/developer.

The experiences of strata committees involved in managing, advising on and rectifying defects are examined in a recently published report by Deakin University.<sup>12</sup> The research project developed a classification system for identifying defects and identified the most prevalent construction systems impacted by defects. The impacts that defects have on residential buildings, residents, lot owners and owners' corporation committee members are also discussed. "It is evident building defects are proliferating and cause great distress and potential harm (both physical and psychological) to those closely involved with these buildings."<sup>13</sup>

#### 3.4 Case studies

Councils see issues of unauthorised or non-conforming residential building work to varying degrees and scale every day. LGNSW can provide examples of problems with private certification and unauthorised work facing councils, if the Committee requests.

In some cases, this illegal activity has been allowed to flourish through the private certification system and is being exploited by owners/landlords who charge rents. A recent report entitled *Informal accommodation and vulnerable households 2019*<sup>14</sup> contains examples of different types of dwellings created without the required planning and building approvals and indicates that the private certification system is contributing to the unlawful use of dwellings:

In some cases, landlords might not be aware of the need to gain approval for these works, in other cases there is an active intention to use the private certification process to maximise the number of structures on the site, which can then be subsequently used as separate rental dwellings.

Building inspectors were of the view that the introduction of the state-wide code to regulate structures such as secondary dwellings, outbuildings and studios, as well as the system of private certification, have both contributed to an increasing prevalence of illegal building works and dwellings. One interviewee described private certification "as a loophole" to get structures approved. In Fairfield, inspectors advised that it was not uncommon to see complicated plan configurations for structures to be approved as complying development – including garages, sheds, studios, as well as a secondary dwelling unit – on a single residential site.<sup>15</sup>

Councils cite cases where significant defects and non-conformances continue to occur during building construction. These impose significant remediation costs on individual landowners and regulatory costs on councils. Council officers cannot force private certifiers to make their client (the builder/developer) fix the defective development. Councils have lodged complaints against private accredited certifiers with the BPB but say this process is onerous and unlikely to result

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<sup>&</sup>lt;sup>12</sup> Johnston, N., *Examining Building Defects in Residential Multi-owned Properties*, June 2019 <sup>13</sup> Ibid. p 61

<sup>&</sup>lt;sup>14</sup> Gurran, Professor N., Pill, Dr M., Maalsen, Dr S., Alizadeh, Dr T., & Shrestha Dr P., *Informal accommodation and vulnerable households*, April 2019

<sup>&</sup>lt;sup>15</sup> Ibid., p 29



in sufficient disciplinary action. LGNSW detailed issues with defects and unauthorised works in its <u>submission</u> to the BPB Report on "*Building Certification and Regulation – Serving a New Planning System for NSW*", in 2014<sup>16</sup>.

#### Cladding

LGNSW wants to see improvements to management of the cladding issue in NSW. Coordination between state agencies and councils has been limited and in the absence of statewide guidance, each council has been left to take its own approach.

In NSW, the Government identified buildings with potentially non-compliant external combustible cladding and provided sections of that list to councils to manage. Councils are expected to work through their list and determine whether and how property owners should rectify the cladding on their building.

As a result, there is no consistent approach to the treatment of buildings with cladding and how any rectification requirements are determined. This has the potential to cause confusion and uncertainty for property owners and residents.

Resourcing is also problematic, with the process requiring detailed work, expertise and time to review relevant approvals and certification, obtain fire engineering reports, obtain specialist advice, issue letters, notices and orders and facilitate and monitor any necessary upgrading works. Some councils report that the sheer numbers of cladding registrations and cladding enquiries they are receiving, mean that the process could take years.

LGNSW has worked with the NSW Cladding Taskforce over the past two years, providing an informal communication conduit between councils and the taskforce. From the outset, we have advocated for leadership from the State Government on this issue. We need a coordinated and consistent approach to managing cladding issues across the state – including residential, commercial and government-owned buildings. It is a shared problem.

Councils seek guidance and protocols to allow consistent assessment of buildings identified as being potentially at risk. LGNSW has asked the NSW Government to provide:

- Clear communication between about roles, responsibilities and expectations
- · Guidance for issuing notices and orders to building owners
- A single source of consistent information for the public eg FAQs and other supporting information
- Opportunities to share information between state agencies and councils about best practice management of cladding issues.

#### 3.5 Implementation of building industry reports

There has been a lack of meaningful action to address fundamental deficiencies with building and certifier regulation in NSW. This is despite the problems being well known and documented as a result of numerous reviews spanning more than a decade.

The Shergold Weir Report recommends a comprehensive package of reforms supported by a three-year implementation plan.

The Lambert Report, commissioned by the NSW Government in 2015, comprehensively identifies the issues with the building regulation system in NSW, and recommends a way

<sup>&</sup>lt;sup>16</sup> LGNSW Submission to BPB Report on "Building Certification and Regulation – Serving a New Planning System for NSW", March 2014



forward, including specific recommendations about implementation. The Government indicated its support or partial support for 72 of the 150 recommendations in the Lambert Review and committed to "further investigate" 70 recommendations<sup>17</sup>. There were 8 recommendations not supported.

LGNSW believes if the Government had established and funded a comprehensive program of reform to coincide with the release of its response to the Lambert Review, there could have been significant improvements achieved in the three years since, and the decline in public confidence may have been alleviated.

In isolation, the latest proposals in the NSW Government's recent discussion paper, *Building Stronger Foundations*, are not enough to deliver well-built, safe and compliant buildings that protect the public interest. The public has a right to expect these outcomes from the building sector, but they will not be realised if the fundamental issues are not addressed to improve the capabilities and competence of all building practitioners, audit their activities and introduce measures to make them all accountable for their work.

The "four key reforms" in the discussion paper are a reactive and piecemeal response and fail to have regard for one of the key observations of Shergold and Weir, which is that their recommendations "form a coherent package" and "would best be implemented in their entirety"<sup>18</sup>.

LGNSW would like to see the NSW Government commit to a comprehensive set of reforms, with an implementation plan, meaningful, achievable timeframes, proper resources and expert industry/local government input.

#### 3.6 Other matters

#### Sustainability of certification profession

There are concerns about the sustainability of the private certification profession. LGNSW understands the industry is under pressure due to difficulties in obtaining professional indemnity insurance. Combined with the "last-person-standing" liability on certifiers, this making it difficult to attract and retain professional certifiers.

#### Concerns about potential for expanded role for councils

LGNSW is concerned that reforms could lead to an expanded role for councils in the private certification process without due consideration of the impacts. For instance, councils may no longer have in-house expertise to take on an increased level of certification work, particularly in non-metropolitan areas. Any proposal to expand the role of local government in regulating private certifiers would amount to a cost-shift and would need to be fully funded and must be subject to thorough prior consultation with local government.

#### **Building Commissioner and BPB resourcing**

A key plank of the Government's reform announcements is the appointment of a building commissioner. This is welcomed by LGNSW, however, this must be supported by a regulatory body that is independent, well-resourced, effective and accountable. There must be a commitment from the NSW Government to prioritise sufficient funding and staff resourcing to support the role. Although the Government's response to the Shergold Weir Report contains a brief outline of the building commissioner role<sup>19</sup>, no details of funding and administrative

<sup>&</sup>lt;sup>17</sup> NSW Government Response to the Independent Review of the Building Professionals Act 2005, August 2016

<sup>&</sup>lt;sup>18</sup> Shergold Weir Report, p 38

<sup>&</sup>lt;sup>19</sup> NSW Government Response to Shergold Weir Building Confidence Report, February 2019, p 10



support for the building commissioner have been announced and it is unclear what statutory provisions are proposed to support this role. This is of great concern to the local government sector.

Since 2014<sup>20</sup>, we have urged the NSW Government to give priority to much greater resourcing of the BPB. Local government is frustrated by the significant under-resourcing of regulatory functions, particularly the BPB, and fragmentation of the building regulation function between different agencies. A major issue has been the BPB's lack of 'teeth' in relation to matters of compliance and enforcement. Performance issues reported by councils include a lack of clear policing of certifiers; insufficient penalties; poor disciplinary action; ineffective audits; and problems and delays with the complaints process. These resourcing, governance and performance issues have failed to maintain a rigorous building certification system.

LGNSW and councils expect the new building commissioner to implement actions including vigorous and proactive auditing and policing of certifiers, a simpler and unimpeded complaints process, responsive disciplinary action, and an ongoing program of effective audits of certifiers.

#### Other reform announcements by NSW Government

#### Four-point plan

On 30 December 2018, the NSW Government announced a 'four-point plan' to improve the certification industry<sup>21</sup>. The announcement of the four-point plan just days after the evacuation of residents from the Opal Tower is symptomatic of the reactive and piecemeal nature of reform proposals to date. It is disappointing that the Government's recently-exhibited Discussion Paper does not address any of these commitments and there is no further information about how this four-point plan will be implemented, let alone resourced.

These promised reforms must be incorporated as part of a coherent package of reforms supported by an implementation plan and resources to deliver the much-needed changes.

#### Industry and local government expertise and input

Expertise and advice from industry and local government will be vital in designing the details and implementing reforms. The Government should formalise this by establishing an expert group of industry/local government practitioners to provide this input and advice.

#### Audit program

LGNSW was pleased to see the Government's commitment in its four-point plan for annual audits of 25-30% of the industry. LGNSW, councils and industry have been advocating for many years for an audit program. Unfortunately, the Government's recent Discussion Paper is silent on how this will be implemented.

Shergold and Weir noted the importance of having a proactive audit program to restore public trust and improve regulatory oversight, education and enforcement, with a recommendation "that each jurisdiction makes public its audit strategy for regulatory oversight of the construction of Commercial buildings, with annual reporting on audit findings and outcomes"<sup>22</sup>.

<sup>&</sup>lt;sup>20</sup> LGNSW Submission to Building Professionals Board, *Building Certification and Regulation – Serving a New Planning System for NSW*, March 2014

<sup>&</sup>lt;sup>21</sup> <u>https://www.anthonyrobertsmp.com.au/media/media-releases/home-owners-first-zero-tolerance-dodgy-certifiers</u>

<sup>&</sup>lt;sup>22</sup> Shergold Weir Report, p 22



The consequences of a lack of auditing were recognised as far back as 2002, just 4 years after private certification was introduced in NSW:

The Committee feels the failure by Government to set up an audit system at the introduction of private certification is the single biggest contributor to the poor outcomes that have emerged in private certification to date. The Committee believes that perceptions of conflict of interest which have dogged private certification since its implementation would have been significantly reduced if a rigorous audit system had simultaneously accompanied the reforms... The Committee believe that to restore confidence in the Private Certification system, the audit program must be designed to capture concerns about conflict of interest.<sup>23</sup>

LGNSW considers this to be a critical strategy to address real and perceived conflicts of interest between certifiers and building owners. Audits that are triggered in prescribed circumstances such as where there is a 'close relationship' between a certifier and builder/developer would help target poor performance without compromising competent practitioners who are found to be achieving the desirable building outcomes.

#### Penalties for non-compliance

Councils frequently cite examples where the 'as built' product varies substantially from the approved plans or departs from regulated conditions/procedures and construction standards altogether. A recent high-profile example is the case of the 'Sugarcube' building which was constructed without meeting development conditions to remediate the site<sup>24</sup>. Other examples occur where councils become aware of construction certificates or occupation certificates being issued for a building that does not comply with the fire safety provisions of the BCA.

Councils consistently report frustration that the penalties for non-compliance are so minimal as to not be a sufficient deterrent. The new *Building and Development Certifiers Act 2018* contains stronger penalties which have been welcomed by local government. However, the Act has not yet come into force. The *Building and Development Certifiers Act 2018* should come into force as soon as possible.

LGNSW would like to see that any proposed new requirements for builders to declare that a building is constructed according to the approved plans must include penalties for false or misleading declaration of plans and must be clear about how these penalties will be enforced and by whom (the building commissioner, local government or some other authority.)

#### Complying development codes

LGNSW recognises that the certification process is expected to deal with higher volumes of work within a framework of more streamlined processes in future. This is reflected in a steady increase in the proportion of certified developments, combined with the proposed expansion of "codified"/complying development assessment by the NSW Government. LGNSW and many councils have consistently argued that the introduction of a tougher building regulation regime is essential if code-based assessment and private certification are to be expanded.

<sup>&</sup>lt;sup>23</sup> Joint Select Committee on the Quality of Buildings, ('Campbell Inquiry'), 2002, p 125

<sup>&</sup>lt;sup>24</sup> 'Toxic secret kept from owners of Erskineville units', Sydney Morning Herald, 20 July, 2019



## 4. Conclusion

As the Shergold Weir Report has recommended, a holistic approach is needed to address the range of issues with the building regulation system in NSW. However, the NSW Government response to date has been reactive and piecemeal, rather than comprehensive, well-resourced and well-planned.

LGNSW and councils have called on successive state governments over the past two decades to take actions to address deficiencies with building and certifier regulation. Local government wants to see a system which ensures that all parties are responsible and accountable for their actions, and the community and public interest is at the forefront.

The Government's latest response represents only a portion of what is needed to fix the problems with the building regulation system. The Shergold Weir Report recommends a comprehensive package of reforms supported by a three-year implementation plan. Likewise, the Lambert Review identified a suite of recommendations together with an implementation plan.

LGNSW advocates for:

- Tighter and more effective regulation of private certifiers by the State Government's building regulators – new regulatory arrangements must be strong, proactively enforced and subject to regular and rigorous audit.
- The State Government to take priority action to address the many issues identified in the NSW independent review of the Building Professionals Act 2005 and the Shergold Weir Report.
- A single regulatory body responsible for building regulation and certification that is independent, well-resourced, effective and accountable.
- Extensive consultation with local government on any proposed changes to strengthen building regulation.
- Complying development to be limited to low risk or low impact development, with clearly defined parameters.
- Provisions to protect consumers of building developments against the unsatisfactory
  professional conduct or professional misconduct of any private accredited certifier who
  practices as a public official but not in the public interest.

For further information in relation to this submission, please contact Jane Partridge, Strategy Manager, Planning and Transport

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