Submission No 67

INQUIRY INTO FURTHER INQUIRY INTO THE REGULATION OF BUILDING STANDARDS

Organisation: Enhanced Space Projects Pty Ltd

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To Whom it may concern,

I am the Managing Director of a commercial interior fitout company. We are a Project Management business and work in the interior commercial office and medical fitout sector. We have become aware of recent changes to the Design and Builder Practitioners Act, introduced on 1st July 2021 for all work on Class 2 Buildings.

From the information we have gathered, the changes require all designers, builders and specialist engineers, to register with the new Compliance Declaration Scheme. However, with the current registration requirements, our directors and staff are unable to meet the registration requirements as we are neither licenced designers, architects or builders.

We have always operated within the provisions of the licencing laws and ensured any works we undertake where required, satisfy the CDC or DA application processes including independent certifier engagement, CFSP planning and registrations with any professional consultancy for BCA or Australian Standard requirements met and documented accordingly. Our projects are typically internal modification works only and we manage all trade and services with insured tradesman who are licenced for the works they are contracted to undertake. We diligently ensure subcontractors are Pty Ltd registered companies and oversee provision of WC and PPL insurances as required.

On many occasions over the past 20 years, we have sought opportunities to become “qualified” in our product and service offerings but at no stage, has the Department of Fair Trading, nor Recognition or Prior Learning organisations, been able to offer us any pathway to a licence given we are commercial interior fit-out providers and not licenced builders or shop fitters.
We are members of the Interior Fit-out Industry Association and have again sought their guidance to assist with a pathway to licencing and still have had no solutions provided.

Under this new regulatory framework as it stands, our company, with over 50 years of combined experience operating in this sector, will be severely restricted in our ability to trade and be rendered unable to take on work opportunities that we have historically undertaken and relied upon.

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We request that the new registration framework be reconsidered and developed further to address the current exclusion of Commercial Interior Fit-out companies, enabling our company, and others like ours, to be able to operate on existing commercial tenancies that happen to be part of a mixed use Class 2 Building.

Further to the Class 2 building changes, we are extremely concerned that it is the start of a plan for this sort of regulation to be rolled out across other building classes which would in turn restrict our ability to trade in this space also. Should this be the case, we would assume and expect a lengthy notice period along with consultation directly with our industry prior to the legislation being adopted.

The affects of this, and the lack of any pathway to licencing or qualification specific to Commercial interior Fit-out within the NSW Fair Trading framework, will result in countless business' like ours, and the subcontractors that rely upon us, to be forced out of the industry we have spent as lifetime building successful careers and businesses within. The outcome will ultimately be catastrophic loss of employment and manly livelihoods devastated.

We believe, in principal, what the new regulations are trying to achieve and support 100% the need for systemised design, build and accountability for construction outcomes and clear responsibility for works undertaken, but believe there needs to be some consideration of non-structural internal office or fitout works proposed to "commercial" tenancies that exist within a mixed use Class 2 Building to be able to be undertaken under existing CDC or DA conditions and approvals process.

As an example, we have just lost a project for a real estate office whom own a ground floor shop / tenancy within a development with 2 levels of residential units above. They intended a minor modification to their tenancy including removal of some non-structural partitioning, construction of two new internal offices, modifications to mechanical, fire, electrical and lighting services to suit along with some loose furniture changes, flooring upgrades and general patch and paint works under a Complying Development Certificate process. The Fire services were to be documented and managed via the existing CFSP process (prior to the CDC approval) and all qualified and insured service providers would certify their works for the PCA with installation certificates demonstrating compliance to BCA and AS codes.
The project was set to cost the client around $ 79,000 in total.

On news of the legislation changes, we investigated the inclusion of the registered Design Practitioner (architect engagement) and Building Practitioner (licenced builder engagement) and were to incur further costs or approx. $ 16,000 (20%) to meet the new requirements. Needless to say the job was cancelled and the client left extremely dismayed and confused as to why this small job that was completely

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confined to their tenancy and in no way impacting on the rest of the development (common areas or residential areas) would be subject to such legislation.

Not only were they concerned as the occupant, but also as the shop owner as to the implications of how the legislation and added costs and administration that a prospective tenant would have to now be subject to when considering taking a lease and fitout of this type of tenancy. This will have significant impact on the values of and indeed the viability of this type of tenancy which are widely prevalent in the NSW commercial landscape.

This serves as merely an example of what we expect will play out indefinitely under the current Class 2 Building framework.

We recognise the intent of the new legislation and as previously stated, agree that in principal regulations need to be tightened (in particular in the Residential Development space) but fear that in cases such as the one set out above, the exact opposite may arise when less scrupulous Interior Fit-out companies avoid the approvals process entirely in order to secure projects and bypass Class 2 Building parameters and other statutory regulations while companies like ours that follow all regulatory processes are left floundering.

We look forward to your review of our situation (which no doubt is shared by many) and your consideration of refinement to the regulations to ensure that legitimate business that pride themselves on quality project delivery are not excluded from the market that we have always participated in. As it stands, we feel as though our business and others like us have been overlooked in the haste to tidy up broader parts of the construction industry, and we will end up as collateral damage to a 'well intended' piece of legislation.

I welcome the opportunity to discuss this further.

Kind regards,

Director
Enhanced Space Projects Pty Ltd

Enhanced SPACE Projects