

Submission

Building Stronger Foundations consultation,
Regulatory Policy, Better Regulation Division,
Department of Finance, Services and Innovation,
2-24 Rawson Place, HAYMARKET NSW 2000.

This Submission is made by,

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Introduction

It gives me a certain amount of pleasure to bear witness to the government's response to bring confidence back within certain areas of the construction industry. By background, I am a licensed builder with more than forty years' experience. Over that period of time, I have constructed award winning homes to multi story hotels, shopping malls and office towers. I have recently embraced academia to engage with students and academics in bringing practise back into their curriculum. During my career, I have had to undertake a major re-build (rework) of a multi-million apartment/hotel project constructed by an overseas entity. The original budget for the project was in vicinity of \$25m and upon completion, the final cost was \$50m. This was not an isolated project as no more than 5 kms away, another project was being constructed by another overseas interest and succumbed to the same fate. In both instances, varying degrees of defects were derived from poor documentation, sham contracting, unskilled (457Visa) labour and a marked cultural difference in management practises. Why did this happen and why was this allowed to occur one would ask. Both projects were finally completed some eight years ago, the cost blow out primarily caused by rebuilding the structure in accordance with the BCA/NCC of the day and the reinstallation of building services.

Over the past twelve years or so, I have had the privilege of engaging with various government departments in an attempt to bring positive change to the construction industry. The phrase, "*one step forward two steps back*" would describe my experience to date. The Lambert report was a breath of fresh air when released but discounted by government

at the time. Government was more than aware of what was occurring within the building industry, particularly in the construction of defective apartments that were on the increase. It has taken a few 'headlines' for government to respond to the 'crisis'. Government has also down-played the current 'crisis' suggesting that they are isolated incidents. However, Strata Owners of apartments may have a different view. They see a potential loss of value of their apartment and an increased sinking fund to rectify poor quality and non-compliant construction.

Response to the Discussion Paper

I acknowledge the prompt questions that have been suggested for feedback by the Discussion Paper. I suppose these questions will be well responded to by other members of the profession. I also acknowledge the four key points have been highlighted for discussion on page 5. These points, had they been in existence a decade ago would have alleviated many of the faults encountered on my project before mentioned.

I welcome all of the initiatives NSW has put forward via the Shergold Weir and Lambert Reports. I also welcome recognition for building designers who have long sought for their recognition.

However, I draw your attention to the first recommendation by the Building Confidence report listed on page 34 of the Discussion Paper and below.

#	BC Report Recommendation	Status	NSW Response and progress
1	That each jurisdiction requires the registration of the following categories of building practitioners involved in the design, construction and maintenance of buildings, including builders, site/project managers, building surveyors, building inspectors, architects, engineers, designers/draftspersons, plumbers and fire safety practitioners.	Partially completed / progressing	NSW currently requires the following practitioners to be registered –residential builders, residential site or project managers (as qualified supervisors), building surveyors/certifiers, architects, plumbers and fire safety practitioners. Further, the NSW Response committed to introducing registration for 'building designers' which will include engineers and designers/draftspersons. There are no plans to register building inspectors.

The above BC Report recommendation clearly states registration,

“of building practitioners involved in the design, construction and maintenance of buildings, including builders, site/project managers, building surveyors, building inspectors”.

I note the response by NSW is:

“NSW currently requires the following practitioners to be registered—residential builders, residential site or project managers (as qualified supervisors)”

There seems to be a major omission of interpretation by NSW. New South Wales is the only State in Australia that does not require a qualification to build above 3 storeys in height unless it is a residential building. If so, a builder's licence is required. The initial builder's licence was strongly advocated for by the Master Builders Association in conjunction with the Australian Institute of Building in early 1970's to rid the industry of 'cowboy' home builders. The qualification for that licence at the time was either a qualified carpenter or bricklayer with a Clerk of Works certificate or a Certificate in Building and above. The licence and education requirement were intended for a domestic dwelling only. Today, the licence requirement has not changed much apart from the fact it is now being used to construct high rise apartment complexes. The existing qualification framework for a builder's licence is far from sufficient. An anomaly we currently have is that a Construction Management Degree is widely taught across the country and is a stepping stone for graduates to gain employment in the construction/infrastructure sector. This degree is widely accepted by the main industry Institutes who accredit the universities offering this and similar courses. This leaves me with some fundamental questions.

1. Apart from securing a potential job, why is this degree encouraged if the government fail to see its significance?
2. What is the relevance of professional organisations who accredit these degrees?
3. Why are these Institutes struggling to find relevance to attract members?
4. Who will accredit degree courses when Institutes have dwindled?

It should be noted that the content of a Construction Management Degree, regardless of the university that offers this course has probably more relevant technical content than that of any architecture and building certification courses. Yet, the Construction Management Degree is devalued by NSW by their acceptance of a Certificate qualification for a Builders Licence that allows an individual to construct a multi-storey apartment building and a certifier to sign off on it!

Recommendations

- 1. The government introduce an 'Open Licence' similar to other States for the construction of buildings above 3 storeys.**
- 2. The qualification for an 'Open Licence' is to contain, as a minimum, a University qualification.**
- 3. All 'Open Licence' holders to be registered for CPD purposes.**
- 4. Either establish a register or accept an Industry registry i.e. National Building Professionals Registry' for building professionals.**
- 5. Qualification assessors for new licence applicants are to have industry experience. Avoid bureaucratic tick box assessments.**

I sincerely hope that New South Wales adopts all of the recommendations made by Lambert and the Shergold Weir reports. I further urge the government to understand that the New South Wales construction industry is a collage of various actors. On the whole, those who practice within this industry with the intention of building their career as professional building practitioners have been well trained for the task and deliver satisfactory results on the whole.

Unfortunately, there are other actors within our industry who would appear to portray themselves as builders but in reality, are developers seeking a quick return on their investment. These actors have been allowed and encouraged to construct sub-standard apartments.

I personally believe in fixing the current system in New South Wales we should look to adopting systems from the past (possibly the return of the Clerk of Works) as well as systems from abroad. To say it more simply, getting it right at the early stages by encouraging and recognising professional building practice through education and practise. This model is then followed across all of the trades (via apprenticeship training) thereby instilling confidence back into the construction industry.

With Kind Regards,

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24th July 2019