



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
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Submission Cover Sheet

Inquiry into Building Quality in the ACT

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Submission to the inquiry into the quality of recently constructed buildings in the ACT

Vista Apartments – [REDACTED]

Please accept this submission to the inquiry into building quality in the ACT.

I am writing as the Chairman of the Executive Committee for the Vista Apartments Owners Corporation (UP3881) on [REDACTED] in Franklin, a position that I have held since August 2014, which means I am quite familiar with most of the issues that our apartment complex faces, and having bought my apartment off the plan, I am quite familiar with the history of the Vista Apartments since construction.

I will try to keep my points as brief as possible, to keep the points being addressed as clear as possible. To be perfectly blunt, building quality is poor across the sector. There have been many articles in the media (especially The Canberra Times) reporting many issues across multiple developments, but I will speak regarding the Vista Apartment complex, so that this remains a first-hand account to the inquiry.

- **Building quality is poor** – Since moving in to the Vista complex at the completion of construction, there have been easily identifiable quality issues all around the complex. Starting with basic aesthetic issues such as painting and furnishings, through to more serious issues relating leaking plumbing, leaking roofs, security doors closing etc. As the years have passed, more issues have arisen, and mainly more serious than the last. The fact that build quality is the responsibility of the builders needs to be looked at, as clearly builders are not being held accountable for their work.
- **Building Certification** – This needs to be looked at closely, as there seems to be a clear conflict of interests. When builders directly pay certifiers, it is easy to understand how this system could be corrupted to the advantage of the builder. Surely this should be performed by a government authority which has no financial gains to be made from working in conjunction with a builder to pass dubious certification. It makes no sense that this process of certification is not performed by a government agency. If the system is to remain independent, then the allocation of the certifier should be controlled and administered by the ACT Government from the appointment to the completion of the maintenance period. Additionally, the certifiers should be required to perform a more exhaustive compliance regime to ensure that all aspects of the building work are fully compliant and done to both the BCA requirements and to manufacturers specifications. E.g. it is no point in providing a glass certificate for compliance acceptance when it is the installation of the window unit that needs to be inspected for correct installation. What you have allowed to occur is for the certifiers role to be a tick and flick process rather than a physical compliance check on construction where the problem lies.
- **Licensing** – Many of the trades associated with building in the ACT do not require licensing. Why not? Surely the likes of water proofing should be licensed. One only needs to see the amount of waterproofing issues encountered at Vista to believe that this if nothing else

should require contractors to be licensed. Licencing should not be an administrative task which the ACT Government seems to consider as its only role- licencing of individuals and systems needs to be a part of the contractors licencing qualification. It is one thing for a contractor to do work, but where are the compliance checks- these are clearly never done.

- **Dealing with builders** – The process of following up with builders for building defects is flawed. Builders will do the bare minimum to address issues, with repairs for building issues often rushed and of poor quality. As this process is quite unclear to new home owners, , often serious building quality issues go unreported. There have been several building quality issues that have been deemed easier to repair out of OC funds, to avoid any lengthy delays in trying to pursue legal avenues or file complaints to regulatory bodies. A simple solution would be to implement a bond system for builders that remains in place for the statutory period for defects and for the 10 years for breaches against the building code. This is such a major issue where developers and builders structure themselves to avoid maintenance and ongoing defect liability that the Government must address it urgently and the only way in which you will get their attention is to put them under a financial risk to enforce compliance from the outset of the project.
- **Owners Corporation Managers** – The role of owner’s corporation managers is not entirely clear. A clear code of conduct should be drawn up, and OCMs should be made mandatory. In the case of the Vista Apartments, we did not have an OCM, which made following up on issues regarding building quality with the builder rather difficult. The OC was not able to approach the builder to address larger issues, but rather it was left to individual owners to try to contact the builder individually, to deal reactively to individual owners’ issues. Far from ideal. Strata Managers should also have clearer guidelines if acting in this position. Possibly there should be a government agency that is able to assist in the early stages of a property being handed over from the builder / developer to the OC / OCM / Strata Mangers, to ensure that all building defects are able to be addressed in a timely manner.
- **Information for owners** – Many of the owners that bought of the plan for the Vista Apartments were first time home owners, and as such were already dealing with the legalities concerning the purchasing of their property. Add to this the murkiness as to their rights regarding building quality and having to deal with the further complexities of dealing with a builder to address building defects, and it is easy for issues to not be properly addressed in a timely manner.
- **Regulatory Bodies** – The agencies that are tasked to assist in the compliance of regulations and register complaints regarding building quality are slow to react and difficult to deal with. Rules and processes in chasing repairs from builders, and filing complaints about building quality are complex, as are the laws that cover these issues. All this works in the favour of the builder. What is the point of a regulatory body that has no teeth? The building industry does not see it as a body to be concerned about and treats it with scorn. Every time a problem arises the ACT Government is so far behind the event that property owners suffer whilst a slow bureaucratic process proceeds at a pace that is designed to protect the building industry not the consumers.
- **Cost** – Vista Apartments has found that the legal costs and time required to follow up with builders regarding building defects is often greater than fixing the issue out of the OCs pocket. As such, many issues are not reported to government agencies, as it is cheaper and faster to repair the issue yourself. This is unfair and is a major issue with dealing with building quality and defects.

There are any number of other issues that could be raised regarding the issue of building quality in the ACT. Many of the issues experienced at the Vista Apartment complex I have witnessed elsewhere, and there is plenty of anecdotal evidence to back it up. However, I would like to address the experience that has been had by owners at the Vista Apartments Complex.

I can't stress enough the low quality of the building that has taken place at Vista Apartments at the initial construction. There are a rather large number of building issues / defects that a new home owner should not expect or should have to deal with when purchasing a new apartment in the ACT. All the following issues have been experienced at Vista Apartments, and have mostly been repaired at cost to the OC. Unfortunately, this is not a fully comprehensive list either.

- Plumbing leaks
- Leaking roofs
- Leaks in common areas such as stair wells
- Car park leaks
- Lime leaching from concrete blocks
- Guttering issues
- Intercom failures
- Electrical conduit flooding due to poor design and construction
- Waterproofing issues
- Outdoor tiling coming loose
- Wall cracking
- Retaining wall collapse and cracking
- Non-structural wall collapse and cracking
- Broken weather proofing membranes
- Loose roofing panels
- Balconies leaking into apartments
- Cracked rendering
- Non-functional outdoor lighting
- Unsuitable bathroom exhaust systems
- Poor painting
- Poor finishing

These issues are all due to poor work performed by the builder. One can easily assess that the building quality at Vista Apartments is poor at best. There is no way that any development that has experienced the list of issues above could be described as anything other than poor, and is a clear indication that the building industry regulations, controls, and compliance requirements are not being met by the ACT Government agencies charged with the administration of building in the ACT.

Standards have clearly been allowed to lower to an extent where builders and developers can do whatever they like and with the intention of sliding the construction past maintenance periods leaving the owners with the long-term pain of having to correct building issues that if done correctly in the first instant would not have occurred. This reflects very poorly on the ACT Government, which now runs the risks of long term issues across buildings in the ACT, that could be similar in scope to the Mr Fluffy saga.

Maintenance is for the long-term effects of wear and tear on building materials, not to correct poor workmanship that should have been stopped at source by inspection and proper certification.

The Vista Apartments OC is currently struggling to address and repair these building issues and defects, at great cost to the OC. The legal costs to pursue the builder to have these defects rectified far outweighs the cost of the OC not reporting these issues and simply paying to have them repaired. This is amplified by the fact that should the OC choose to follow a legal path to try and get a builder to take responsibility for their poor build quality and rectify it, an outcome is not assured, even given the expense to pursue, both financially and time wise. From all accounts, these are issues that are not isolated to the Vista Apartments. In fact, most repair contractors engaged to repair build defects at Vista state that the Vista Apartments are actually built better than most others in the ACT.

It is an absolute disgrace that the issues that are faced at Vista Apartments can occur at all, and all regulatory and government bodies involved should hang their heads in shame. This is not even to speak of some of the other issues that are faced by many new building developments. The number of rain leaks in new buildings in the Act should be enough for an enquiry by itself. What has become of civilization, if we can't manage to build shelters with roofs that do not leak when it rains?

In conclusion, it is the Vista Apartments Owners Corporation Executive Committees opinion that, based on the quality of building at the Vista Apartments, building quality in the ACT is poor, and changes are required to legislation, regulation and enforcement to ensure that there is an improvement, to protect the rights of home owners as well as businesses, and decrease costs to the community and tax payers.

Regards,

[REDACTED]

Chairman, Executive Committee

On behalf of the Vista Apartments Owners Corporation

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