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Submission 11

  
5th September 2012

The Research Director  
Transport, Housing and Local Government Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

Dear Sir/ Madam


I write in response to a letter of 28 August 2012 from the Member for Maryborough, Anne Maddern, regarding the BSA PARLIAMENTARY ENQUIRY.

I am a licensed builder, open class,  I have been licensed in Queensland for 32 years. I am a member of the Australian Institute of Building Surveyors.

I have a lifetime of experience in the building trade both in Queensland, and previously in NSW prior to 1973. I was a contractor based on the Sunshine Coast performing mostly residential work until I was employed as a Building Surveyor with Noosa Council from May 1986 until September 1996.

I was engaged by BSA as a Senior Building Inspector in September 1996 and became the Area Manager for the BSA's Maryborough office in 2004 until my recent retirement. During those years I was personally involved in the adjudication of around 20-25 building disputes each month. I have also been on the panel of judges for the MBA and HIA construction awards over many years in the Wide Bay Burnett region.

My experience within BSA and my wider involvement in the building trade has enabled me to make this submission regarding those matters that are to be addressed by the enquiry.

- The balance between the interests of the consumers and contractors is in my opinion and experience with disputes, skewed in favour of the consumer. There seems to be a mindset that contractors are cowboys, (previous Minister s frequent description), and that there is dishonesty and chicanery being practiced upon the consumer. Contractors are just ordinary people with families and dependants, with responsibilities and risks arising from their relationship[s] with consumers. My experience is with building disputes and with owners who will at times utilise the BSA process to avoid making payments due under the contract. The contractor frequently has no recourse except through the courts, a costly, lengthy process with still no guarantee of being paid. I believe the BCIPA process needs to be available for a contractor's action against a resident home owner to recover monies. I have seen many more shonky consumers than contractors. The safeguards provided to consumers by the home warranty scheme ensure a reasonable outcome in the event of a contractor's demise or misbehaviour. This is of course premised

upon the consumer complying with the policy conditions and this cannot be relaxed as the scheme requires administrative rigor to remain viable.

- I am unable to suggest any regulation that BSA administers that would effectively reduce costs if there were to be amendments.
- BSA is well placed to provide remedies for defective work and to educate stakeholders, considerable effort is on-going to bring contractor's skills into line with requirements through BSA's seminar program and the fact sheets available on line on the web site. BSA's web site is to be commended and it provides excellent assistance to all stakeholders. It is stressed that BSA should not be involved in adjudicating contractual issues, and that includes the circumstance where payment is withheld.
- I believe that the Board's governance arrangements are sufficient.
- The home warranty scheme is cost effective and any increase in cover or softening of the policy conditions would make obtaining reinsurance very difficult. The recent disasters in Queensland and the consequent hike in general householder insurance premiums currently being levied leads me to this view. Any increase in cover is unwarranted. I am aware that HIA has an agenda to take over the home warranty scheme; other states with a purely commercial scheme do not provide the consumer or contractor with the degree of protection that the Queensland scheme does.
- The licensing regime has a rigorous requirement for skill levels on application for a licence that is satisfied by the use of third party RTOs. There is an audit program by BSA Inspectors that is performed during construction that will provide an improvement in outcomes generally.
- It is difficult to understand how equity would be maintained with involvement by contractor organisations apart from the current Board appointments. HIA and MBA perform a role to educate their members; it is worth commenting that only around 15% of building contractors are in these organisations.
- The review that Parliament is currently undertaking is very definitely a step toward improvement.
- I also consider that a formal CPD scheme should be a prerequisite for licensing. This will cause practitioners to be current with their skills in an environment that is constantly changing and will eliminate those inactive licensees that no longer work in the industry.

Yours faithfully



Mick Rendell