

Flying Minute: Registration of builders (and related occupations) reforms – Submission (05-015-02-0010 CL)

Claire Lings, Project Officer, Planning and Improvement

That WALGA:

1. Advise the Department of Mines Industry Regulation and Safety (DMIRS) that the Consultation Regulatory Impact Statement, registration of builders (and related occupations) reforms is supported in principle, subject to the following matters being addressed in consultation with the Local Government sector:
 - a) Prior to any regulatory changes, undertake a review of the minimum estimated value of building work required to engage a registered builder of \$20,000 to ensure it better aligns with current building costs in regional areas.
 - b) Other regulatory and policy changes that are the subject of current proposals for change, such as mandatory inspections, registration of engineers, and the impact of State and Commonwealth building stimulus programs on construction be considered in conjunction with this proposal to ensure Local Government and industry are adequately resourced in remote and regional areas.
2. Provide this report to DMIRS as feedback on the Consultation Regulatory Impact Statement.

RESOLUTION 197.FM/2021

CARRIED

In Brief

- In October 2020 Department of Mines Industry Regulation and Safety (DMIRS) released a consultation paper proposing changes to the Building Services (Registration) Act 2011 (BSR Act) and Building Services (Registration) Regulations 2011.
- Submissions on the Consultation Regulatory Impact Statement close on 29 January 2021. However, an extension until 12 February 2021 has been requested and granted by DMIRS.

Attachment

CRIS Appendix D- Map 1: Areas of the State where builder's registration is required (Schedule 3)

Background

The State Government has committed to implementing the recommendations of the Commonwealth Government commissioned *Shergold Weir-Building Confidence Report*. As part of this, DMIRS have released a consultation paper proposing changes to the Building Services (Registration) Act 2011 (BSR Act) and Building Services (Registration) Regulations 2011. The BSR Act establishes the registration regime for builders, building surveyors and painters in WA.

The consultation paper seeks comment on:

- a proposed shift from a single class (tier) of builder registration in WA to three tiers and how these reforms could best be implemented in WA;
- registration of project managers responsible for coordinating and planning commercial buildings in WA, and owners' representatives of commercial buildings;
- mandatory continuing professional development requirements for registered builders and building surveyors;
- proposals to strengthen disciplinary and enforcement powers under the BSR Act; and
- the extension of mandatory builder registration to currently exempt areas of remote and regional WA.

The major impact of the reforms on the Local Government sector is the extension of mandatory builder registration to currently exempt areas of remote and regional WA that may increase compliance workload for regional Local Governments.



Currently the BSR Regulations establish both when and where builder registration is required in WA. Regulation 13 of the BSR Regulations defines 'builder work' for which registration is required as work:

- for which a building permit is required
- has a value of \$20,000 or more; and
- is carried out in an area of the state set out in Schedule 3.

Schedule 3 currently lists those areas of the state that do not require a registered builder to carry out the work and this includes most areas outside the South West land division and outside of designated town sites in all other regions (see Attachment: CRIS Appendix D- Map 1). The proposal for change is to repeal Schedule 3 of the BSR Regulations, therefore requiring that if work requires a building permit under the Building Regulations and is over \$20,000 in construction value then a registered builder is required to carry out the work.

Comment

Local Governments have indicated their general support of reforms, however concern has been expressed with the impact that this change may have on already limited resources, particularly if mandatory inspections are introduced and considering the increase in construction activity due to the current State and Commonwealth stimulus packages. This may lead to some regional and remote Local Governments not having the resources to carry out their building control function.

The repeal of Schedule 3 of the BSR Regulations will significantly expand the areas of the State and the types of building work where a registered builder must be used. One key advantage of extending registration requirements for builders is that consumers in these areas can have more confidence that should they have a dispute with their builder, the builder will be more likely to resolve the matter as there will be disciplinary consequences. Whilst the disciplinary consequences are managed by DMIRS, it is often Local Government who are the first point of contact with the community when a dispute arises. In many cases the initial compliance inspection is also carried out by the Local Government before an issue is elevated to a disciplinary complaint. It is this extra workload that would be difficult to manage for regional and remote Local Governments where building work is carried out in remote and some regional areas. There are currently no legislated fees for compliance work carried out by a Local Government and the cost implication of carrying out inspections for compliance matters in regional and remote areas can be significant. Whilst inspections are currently not mandatory in Western Australia the implementation of mandatory inspections is currently under review by DMIRS. Should mandatory inspections be introduced then Local Governments may be required to carry out inspections at various stages throughout the building process under the Building Act requirements. With the implementation of State and Commonwealth stimulus packages already bringing increased construction activity Local Governments will require support to continue their compliance functions.

The BSR Regulations apply a \$20,000 construction value to work that requires a registered builder. In metropolitan areas this value will allow some residential additions to be carried out by an unregistered person or the owner. Local Governments have raised the issue that many additions in regional and remote areas are over \$20,000 some only due to the bushfire-prone location and energy requirements. It has been recommended that the minimum estimated value of work requiring a registered builder of \$20,000 should be reviewed to better align with current building costs in regional and remote areas.

This report was circulated to Local Government Building Surveyors for comments, with feedback received from officers at the City of Bunbury, Shire of Waroona and Town of Victoria Park.

Flying Minute Outcomes

Total Invited to Survey:	24
Total Finished Survey:	18
Endorse Recommendation:	17
Endorse Recommendation subject to comment:	1

Carol Adams OAM	Endorse Recommendation
Phillip Blight	
Julie Brown	Endorse Recommendation
Ruth Butterfield	Endorse Recommendation
Karen Chappel	Endorse Recommendation
Cheryl Cowell	
Malcolm Cullen	Endorse Recommendation
Frank Cvitan	Endorse Recommendation
Tony Dean	Endorse Recommendation
Catherine Ehrhardt	Endorse Recommendation
Russ Fishwick JP	Endorse Recommendation
Ronnie Fleay	Endorse Recommendation subject to comment below
Logan Howlett JP	Endorse Recommendation
Mark Irwin	
Paul Kelly	Endorse Recommendation
Jenna Ledgerwood	Endorse Recommendation
Peter Long	
Cate McCullough	
Chris Mitchell JP	Endorse Recommendation
Les Price	Endorse Recommendation
Michelle Rich	Endorse Recommendation
Ken Seymour	Endorse Recommendation
Stephen Strange	
Doug Thompson	Endorse Recommendation

Comments

Ronnie Fleay on 23/01/2021 at 11:10

Agree that a review of Building cost in regional areas needs and urgent review. \$20k will barely build a car port!

Secretariat Comment

The comment is noted. The Association will advocate for the review of the current limit to ensure it aligns with actual building costs in the regions.