

\$1.70 INC GST

Building permits system damned

EXCLUSIVE

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VICTORIA'S building permit system is broken, with little evidence to show even minimum construction and safety standards are being upheld, according to a report by state Auditor-General Des Pearson.

The report, to be tabled today in Parliament, will reveal that 96 per cent of 401 building permits examined by the Auditor failed to comply with basic standards. It provides a damning critique of the Building Commission, the state agency that regulates construction standards in everything from home extensions to major city towers.

The \$24.3 billion-a-year construction industry, instead of being properly regulated, "depends heavily on trust which is neither guided nor demonstrably affirmed by reliable data on the performance of building surveyors", says a leaked draft of the report obtained by *The Age*.

"Our results have revealed a system marked by confusion and inadequate practice, including a lack of transparency and accountability for decisions made. In consequence, there exists significant scope for collusion and conflicts of interest," the draft report states.

Building Commissioner Tony Arnel — who has been in his position for 11 years — is legally prohibited from commenting on the report before it is tabled.

Planning Minister Matthew Guy, who oversees the Building Commission, would wait to read the report before commenting, a spokesman said.

The Building Commission was established 17 years ago to regulate council and private building surveyors, and to monitor how effectively surveyors enforce building laws.

The Auditor found that damning reports on the commission's work in 2000 and 2005 had been ignored, and that it had fundamentally failed to do its job. "The commission cannot demonstrate that the building permit system is working effectively, or that building surveyors are effectively discharging their role to uphold and enforce minimum building and safety standards," the draft report says.

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It also finds that while the commission monitors the number of complaints against builders, little is done to monitor whether surveyors do their jobs properly.

Surveyors assess and approve building permits and check that work meets the standards of building laws.

Speaking ahead of the report's release, the president of the Australian Institute of Building Surveyors' Victorian chapter, Con Giazi, admitted the Auditor had highlighted "deficiencies". But he said the failures were a case of poor administration, not lax safety standards.

The report warns of possible collusion between surveyors and clients because of "inadequate monitoring and enforcement" by the commission.

The Auditor randomly selected 401 building permits lodged with Melton, Monash and Mitchell councils.

Audit office inspectors found "the vast majority" of permits examined failed to adequately document whether buildings

met all requirements. They found far more problems with commercial buildings than with new houses. The report also found serious problems with:

- Adherence to town planning requirements.
- Site plans inconsistent with properties in 167 of 319 cases.
- Fire safety standards.
- Demolition works, with little evidence of adequate precautionary measures.

Big builders this week rallied around Mr Arnel and the commission before the release of the report. Grocon chief Daniel Grollo said Victoria's building industry was "as efficient, if not more efficient [than anywhere] in Australia. Any process can be improved, but we don't see any evidence that the system is broken. Is the issue one of record keeping or is it [problems] with the building itself?"

Executive director of the Housing Industry Association Gil King said the problems identified were about paperwork, not safety. "Very rarely do we see major faults in the structure of buildings," he said.