

Dodgy building checks exposed

New home owners at risk

EXCLUSIVE

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CONSTRUCTION work on thousands of Victorian homes has been approved by unregistered inspectors due to serious failings by the state's building regulator.

Documents show the Victorian Building Commission was repeatedly warned between 2003 and 2008 that several surveying firms were using unregistered inspectors. But it took four years to impose any disciplinary action against those involved.

Surveyors are required by law to use building inspectors registered with the commission to approve various stages of construction work, such as pre-slab preparations, steel structures and wooden frames.

Former planning minister Justin Madden was warned in 2007 and 2008 about the widespread use of unregistered inspectors — a practice that has potentially serious implications for insurance policy holders and the legality of house contracts of sale.

Commercial and construction law firm Lovegrove & Lord advised clients in 2007 that “an insurer may be able to deny cover in circumstances where work has been carried out by an unregistered person simply because of the fact that legislation requires them to be registered”.

The commission is a statutory authority responsible for regulating construction standards and the permit system for works ranging from home extensions to high-rise towers.

The Age last week revealed 30 officials and consultants to the commission are being investigated for alleged corruption, misconduct and harassment.

The commission has also been exposed for its lavish spending on entertaining senior executives from big Melbourne building companies at football games and city restaurants — despite them being the people it is supposed to regulate. New

commissioner Michael Kefford has cancelled such spending.

The commission was given documentary evidence in August 2003 that exposed a prominent Melbourne surveying firm using unregistered inspectors. It took the commission nearly 2½ years to investigate the matter.

During this period, the firm continued using unregistered inspectors to approve work on thousands of sites. One of the unregistered inspectors undertook about 3690 site inspections over an 18-month period.

In March 2006, the commission found the firm's directors had “failed to conduct their work as building practitioners in a competent manner and to a professional standard”. But it chose not to take any disciplinary action against them.

Despite the finding, the firm continued to use unregistered inspectors, prompting further complaints.

In 2007, Mr Madden was notified about the commission's lack of action on unregistered inspectors. He replied to a complainant that “the continued use of unregistered building inspectors by some companies providing building surveying services is of obvious concern”.

He said he understood that a lack of qualified people had led many companies to “enter into practices that are potentially in conflict with the Building Act”.

While looking to improve enforcement and compliance, Mr Madden said strategies were also being developed with the industry to improve the supply of registered inspectors.

The Age understands the commission was concerned about the declining numbers of qualified inspectors and surveyors, as well as the likelihood that construction works would be slowed by strict enforcement against unregistered inspectors.

A June 2007 email obtained by *The Age* outlines the commission's attitude to enforcing the provisions of the Building Act in relation to unregistered inspectors. “I can advise that the commission is working on brokering

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a resolution to ensure that all persons carrying out inspections are appropriately registered and that building surveyors only engage registered persons to carry out inspections on their behalf," wrote the commission's then director of compliance, Gil King.

"This is not an overnight fix and while the commission could consider a series of prosecutions in relation to the complaints you have raised, this may not achieve the best outcome for the industry," Mr King wrote.

"There is a need to ensure the integrity of the system against the competing need to sustain a mentoring approach to new entrants into the building surveying/inspection profession."

Mr King left the commission in 2009 to become Victorian executive director for major building lobby group HIA.

In June 2008 — nearly five years after the first complaint — the then registrar of the Building Practitioners Board, Peter Brilliant, informed the two heads of the Melbourne firm found to have used unregistered inspectors that they were the subject of

an inquiry. Three months later, Mr Brilliant announced the board had found the pair guilty of using unregistered inspectors.

The men were reprimanded and fined \$500 each. They were also asked to pay \$2250 each in costs.

Board chairman Bill Russell yesterday said the commission had taken a "very diligent" approach to investigating and disciplining any surveyors found using unregistered inspectors since he assumed the role in 2010.

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