



## Private Certification of Building Approvals for Residential Building Work

### Policy Background

- During the 1990s, on the back of National Competition Reform policy, there was a significant push by all levels of government to privatise a range of government services. It was considered that many of these could be delivered by the private market in a more cost effective manner.
- State/Territory Governments moved to privatise statutory building approval and inspection processes using a national model framework for building certification.
- Certification of building approvals by private building professionals has now been introduced in every jurisdiction, however not all have adopted the same approach.
- A number of states introduced a full certification model whereby the local government authority has little or no direct involvement in the approval or inspection process. Some states have retained the ability for local government to compete with the private market to offer this service.
- Three states (South Australia, Western Australia and Tasmania) have introduced schemes which offer partial certification, with the private certifier required to provide documentation to the council to obtain a building permit and final certification at the end of building work for most building types.

### Policy Issues

- HIA has long held the view that privatising building certification was a positive step and that competition has reduced approval costs and speed up approval times. This has been the experience particularly in those states that have introduced a full certification model.
- In the last decade, the integrity of the building certification system in those states that currently permit full private certification has been questioned with several reviews and inquiries being undertaken.
- In those states where partial certification operates, there was some level of improvement in the process for builders, however there continues to be an impediment with the timeliness and efficiency of local governments, particularly where they unnecessarily override the advice and decisions made by building certifiers.
- Several states are currently reviewing their building approval regimes which provides an opportunity to promote the adoption of full private certification in all states.

### HIA's Policy Position on Private Certification of Building Approvals for Residential Building Work

- HIA supports the use of private certification for building approvals (and related inspections where required) of residential building work.
- Private certification should operate on the basis that a private building certifier is fully authorised to provide relevant approvals to an applicant without the need to refer to a local government authority.

## Attachment 1

### HALLMARKS FOR PRIVATE CERTIFICATION OF BUILDING WORK

To support HIA's policy a set of hallmarks have been developed that set out a preferred blueprint for the effective operation of private certification for building approvals of residential building work.

The intention is that these hallmarks can assist in outlining how HIA believes a full private certification system for building approvals should operate. The hallmarks reflect many of the existing elements in place in states that currently have full private schemes, being Queensland, New South Wales, Victoria and the Northern Territory.

- Private certification of building work should operate on the basis that a private building surveyor is fully authorised to provide relevant approvals to an applicant without the need to refer to a local government authority.
- The granting of building permits and occupancy permits should be fully contestable allowing both local government and private building surveyors to compete on an equal basis.
- All building surveyors, that is private and government, should be required to meet identical minimum requirements for their qualification and experience.
- Building surveyors should not have a conflict of interest with any party involved in the application.
- The owner, builder or an owner's agent, such as an architect, should be permitted to appoint the building surveyor.
- Application fees for building approvals and inspections should be contestable and not regulated allowing private and government building surveyors to charge a 'fee for service'.
- Building work should be permitted to commence onsite immediately following the issue of a building permit by a building surveyor (private or government).
- Building surveyors (private and government) should be able to rely on appropriate professionals (competent persons) to provide certification for design elements or completed building work.
  - Competent persons for design should include engineers (civil, structural, mechanical, hydraulic, electrical, etc.), architects and building designers.
  - Competent persons for inspections of completed building work should include engineers (civil, structural, mechanical, hydraulic, electrical, etc.), builders and trade contractors.
- Any person responsible for preparing building documentation or plans or undertaking inspections of completed building work upon which a building surveyor relies should hold appropriate experience and/or qualifications, and be covered by appropriate insurance, for the function they perform.
- Where a building surveyor relies on a certification from an appropriately qualified professional they should be protected from liability for that element of the work.
- All parties in the building certification and inspection process should have access to proportionate liability.
- Progress inspections, where required, may be undertaken by an appropriate building professional (competent person) including a builder, engineer or building surveyor (based on HIA's guidance material).

- The role of the private building surveyor in the enforcement of conditions of approval should be limited to notification of onsite breaches to the local government authority, which is then responsible for enforcement.
- All building surveyors (private and government) should be the subject of random auditing by the relevant regulatory body.