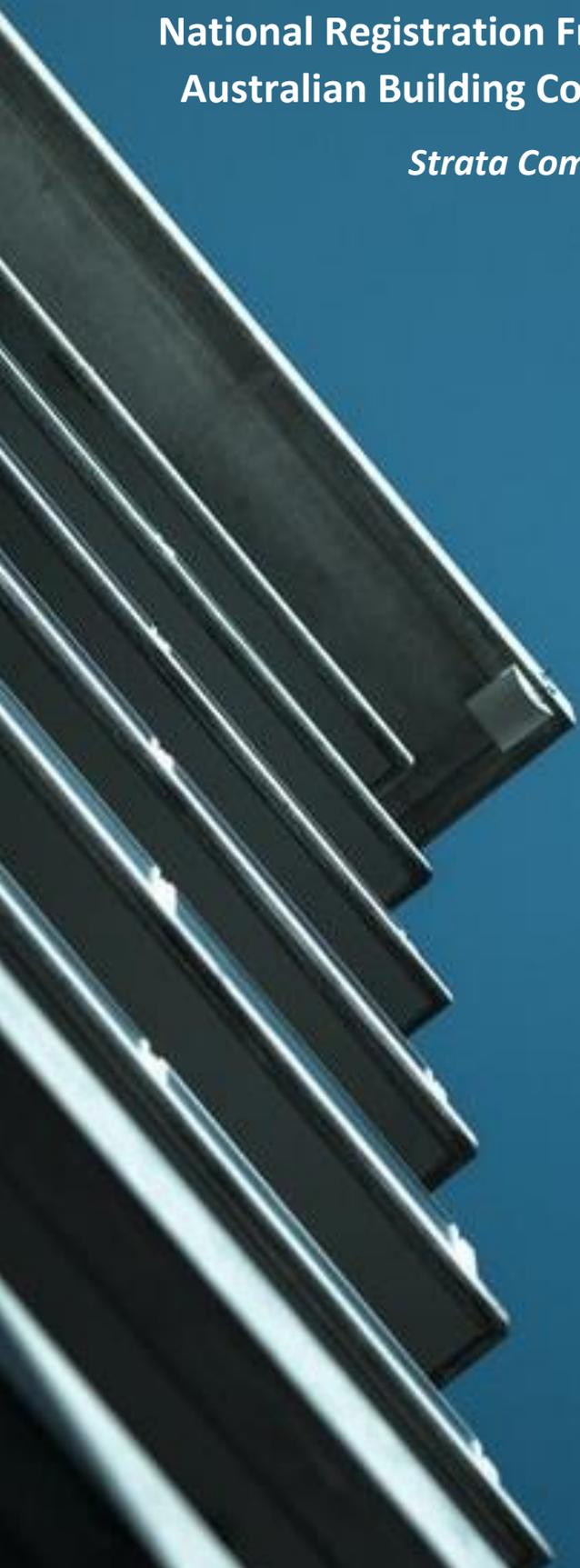


**National Registration Framework for Building Practitioners (NRF)  
Australian Building Codes Board (ABCB) Discussion Paper 2020**

*Strata Community Association Submission*

**14 August 2020**



## Introduction

Strata Community Association (SCA) is the peak industry body for Body Corporate and Community Title Management (also referred to as Strata Management, Strata Title or Owners Corporations Management) in Australia and New Zealand.

Our 5,000 individual and corporate members include strata/body corporate managers, support staff, owners' representatives and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate.

Direct employment in specialist strata management companies is approaching 10,000 people. More significantly, they are pivotal in an estimated \$6.7 billion in annual economic activity.

Based on the 2020 Australasian Strata Insights Report, more than 2.2 million people live in flats and apartments, the vast majority being strata titled.<sup>1</sup> This figure does not include other forms of strata title such as townhouses and community titled developments. Nor does it include businesses operating in strata titled commercial buildings. The estimated value of property under strata title in 2020 exceeds \$1.3 trillion.<sup>2</sup>

As the growth of apartment and strata living has intensified over the last decade, the strata management strata services industry has grown in lock step to serve it. Strata managers navigate through a maze of Commonwealth, State and Territory legislation and regulation ranging from actual strata specific legislation, regulation, workplace, health and safety issues and building codes as well as measures applicable to the management of body corporate funds.

A strata manager is expected to be knowledgeable on a range of issues relating to the management of a scheme which, crucially to SCA's feedback on the NRF discussion paper includes knowledge of, and interaction with trades, services, building, design and construction.

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<sup>1</sup> Hazel Easthope, Sian Thompson and Alistair Sisson, *Australasian Strata Insights 2020*, City Futures Research Centre, UNSW, Accessed at <https://cityfutures.be.unsw.edu.au/research/projects/2020-australasian-strata-insights/>

<sup>2</sup> Ibid, p6

## SCA's Response to the NRF Discussion Paper

### SCA Endorsement of the NRF's intention

SCA recognises and acknowledges the overall intention of the National Registration Framework for Building Practitioners (NRF) to implement the first two recommendations (out of the 24 total recommendations) of the [Building Confidence Report](#) (BCR).

SCA welcomes the opportunity to provide feedback to the NRF Discussion Paper 2020.

SCA supports the intention of the NRF to:

- Implement 'Recommendations 1 and 2 of the BCR propose the registration of building practitioners involved in the design, construction and maintenance of buildings...'<sup>3</sup>
- Increase 'knowledge of the National Construction Code (NCC), competency and experience, insurance and financial viability and integrity.'<sup>4</sup>
- Work towards 'ensuring core work is done by [qualified], skilled and experienced people.'<sup>5</sup>
- Work to 'achieve significant economic benefits, improve the efficiency of the registration process through options such as mutual recognition and enhance public confidence in the building industry.'<sup>6</sup>
- Carry out 'registering individuals in core disciplines.'<sup>7</sup>

SCA recognises that, if the NRF properly incorporates feedback and recommendations from stakeholders following this discussion paper, and is implemented in a coordinated fashion that it has the potential to create:

- Greater compliance
- Better builds
- Better record keeping
- Greater transparency
- A better chain of responsibility
- More informed strata managers

SCA proposes a series of recommendations in the following sections with the goal of enhancing the NRF in its current form.

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<sup>3</sup> Australian Building Codes Board (ABCB), *Discussion Paper: National Registration Framework for Building Practitioners*, Accessed at <https://consultation.abcb.gov.au/engagement/dp-national-registration-framework/>

<sup>4</sup> Ibid, p2

<sup>5</sup> Ibid, p4

<sup>6</sup> Ibid, p2

<sup>7</sup> Ibid, p4

## Maintenance work and the NRF

Maintenance – fire systems installations and inspections, as well as plumbing are the only two disciplines that explicitly mentioned maintenance work within their qualifications and requirements. The NRF should include specific maintenance qualifications for any discipline that might be involved in the maintenance function of a building once the initial construction phase is completed.

SCA recognises that most trades were not included as part of the provision of the NRF:

*‘Registration of other trades such as gasfitters and electricians is outside the scope of the NRF...as they are generally not regulated through building legislation.’<sup>8</sup>*

And:

*‘Trade licencing has not been included in the NRF, with the exception of plumbing and a number of fire occupations.’<sup>9</sup>*

However, the potential outcome is that the maintenance of the building will not have a nationally consistent approach, or the intended higher standards the NRF is aiming for, in the way that the design and construction functions do. This is not in keeping with the overall stated goal of the NRF:

*‘Recommendations 1 and 2 of the BCR propose the registration of building practitioners involved in the design, construction **and maintenance** of buildings...’ (P2)*

In addition to the overall general omission of many of the professionals engaged in maintenance, the NRF in its current form has 17 disciplines, but has excluded some categories essential to the ongoing maintenance of buildings including disciplines that work on:

- Lifts and escalators
- Interior design
- Landscape design
- Safe access systems
- HVAC systems
- Communications systems including telephone, internet and television
- General maintenance.

**Recommendation: The NRF should explore ways to expand the current licencing to include as much maintenance work as possible to achieve stated goals across construction, design *and* maintenance.**

**Recommendation: Where a maintenance function is not carried out by a licenced trade, and is within the scope of building legislation, the NRF be expanded to include that trade.**

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<sup>8</sup> Ibid, p14

<sup>9</sup> Ibid, p7

## Defects and non-conforming products

Defects and non-conforming products in buildings present a significant cost, both in financial terms and in safety terms to people who live in buildings once they are constructed. The cost of defects and non-conforming products is most often borne by the consumer, where defects emerge months or years after the original building or construction work is carried out. Strata managers are often the first to identify, or the first to be alerted to defects and non-conforming products.

The most high-profile defects and non-conforming products that have affected strata buildings in the last decade have been cladding issues, where highly flammable, unsafe, unsecure or poorly installed cladding had been attached to thousands of buildings throughout Australia. An incredibly complex issue involving manufacturers, builders, designers and installers, building defects have presented a significant cost and challenge to consumers, regulators and governments across Australia and have been estimated to cost \$6.2 billion on apartments built between 2009 and 2019.<sup>10</sup>

Building practitioners who are educated to nationally recognised minimum standards, as outlined within the NRF, and who have an enhanced knowledge of defects and non-conforming products as part of their education, could potentially limit future defects and non-conforming products.

According to a major report into building defects conducted in 2019, the major areas of defects in buildings are:

- Building fabric and cladding (40.1%)
- Fire protection (13.3%)
- Water proofing (11.5%)
- Roof and rainwater disposal (8.6%)<sup>11</sup>

The evidence that a high percentage of defects relate to cladding and water-related issues should be used by the NRF to ensure that certification and training in disciplines that have an impact on these areas is at a high standard, and all related trades, where possible, are included.

**Recommendation: ‘Approved NCC training’, as referred to in the NRF Taxonomy Table for each profession, or any other training carried out for registration under the NRF, should include training specifically related to, and case studies specifically detailing defects and non-conforming building products. Training should have a focus on the type of defects that result in the most non-conforming products.**

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<sup>10</sup> Equity Economics, *Economic Modelling of the Cost of Building Defects in Apartments Across Australia*, 2019, Accessed at: <https://static1.squarespace.com/static/539fdd0de4b09fc82dfddd08/t/5d594ef0750ae80001789020/1566134001664/APA+RTMENTDEFECTS+Equity+Economics+Modeling+of+Cost.pdf>

<sup>11</sup> Nicole Johnson and Sacha Reid, *An Examination of Building Defects in Multi Owned Properties*, 2019, Accessed at [https://www.griffith.edu.au/\\_data/assets/pdf\\_file/0022/831217/Examining-Building-Defects-Research-Report-S-Reid-N-Johnston.pdf](https://www.griffith.edu.au/_data/assets/pdf_file/0022/831217/Examining-Building-Defects-Research-Report-S-Reid-N-Johnston.pdf)

## **Mandatory registration at a local level**

During the maintenance phase of a building, strata managers contract services professionals to carry out maintenance work. Strata managers employ existing licensed contractors who they may already have existing relationships with. Any changes to bring in nationally recognised standards at a local level could slow down the process of carrying out repairs as local contractors (especially those such as electricians and fire installation technicians explicitly laid out in the current NRF) work to meet the new requirements.

**Recommendation: The ABCB through the NRF allows adequate timeframes for existing contractors to attain new certifications and, if they have not met them in time, give a short deferral notice period for them to attain the relevant qualifications.**

**Recommendation: Strata managers and professionals who engage contractors can easily learn or obtain information about who is registered or is completing registration for the NRF in fields that have new requirements as a result of the NRF.**

## **Continuity of management**

Strata managers begin work managing all aspects of a property once the design, building and construction of the property has occurred. Due to differing skill sets, availability, price and time, strata managers often use different contractors than those who built or designed the building. The contractors who carry out the building works more often than different contractors to those who carry out the maintenance works.

This presents several problems for the contractor and the strata manager. The new contractor is not familiar with the building, and often a new building will include aspects they have not dealt with previously. When this occurs, the strata manager does everything within their power to ensure the contractor understands what they need to carry out the task. Often, however, this is hindered by a lack of available information about building and construction phase and the contractors who carried out that work, due to information not being passed along from the building phase to the maintenance phase.

**Recommendation: Ensure that proper records are maintained and passed to managers who will be carrying out maintenance by creating regulations for documents to be passed or handed over to the new owners in the form of a building manual or another system that, in consultation with the strata sector, satisfied the needs of future actions such as maintenance works.**

### **Prices may increase as compliance requirements increase**

Strata managers hire tradespeople and contractors, as well as designer or builders to carry out maintenance works over the lifecycle of the building. It is expected that, if registration requirements increase for hired professional increases, that prices may increase as a result, either due to:

- Greater skills sets attracting greater remuneration for those meeting registration requirements
- Less competition from operators who have not achieved registration levels necessary to carry out works
- Larger organisations dominating the market for contractors or tradespeople in a specific discipline.

*The NRF must be widely understood, accepted and implemented to ensure that as many competent professionals can register and carry out work as possible, and maintain competitive prices for the consumer.*

### **The NRF – potentially difficult to implement on-site**

The way strata complexes are managed varies greatly from jurisdiction-to-jurisdiction, all the way down to building-to-building. Some buildings are small and simple, others are large and complex. Buildings under strata management have professionals doing everything in their power to ensure maintenance and compliance, however not all buildings are under management, and roles and responsibilities are often distributed between professionals, volunteers and strata committee members.

Introducing an additional layer of compliance and regulation might increase the degree of difficulty for anyone in strata management hiring a professional for the relevant work. As a result, the NRF in its implementation should make it as simple as possible to understand and to work with to hire professionals. SCA understands that this is part of the implementation phase and will largely be handled by each jurisdiction, however every attempt should be made at the coordination level to make this step as simple as possible.

**Recommendation: The NRF should make it as easy as possible to ensure that hired professionals comply with the registration framework, and this information is readily accessible.**

### **Individual licence and certification holders**

Some trades contractors do not operate under a builders' licence and require their own certification process on works carried out, often being the only registered person who can carry out certification and compliance. Electricians are one example of a trade that operates in this way. The NRF must ensure that it does not incorporate inconsistencies into the NCC by confusing licensing arrangements, especially when placing all trades under the blanket of a builders' licence.

**Recommendation: Clarify under the NRF specific areas of certification that are not held under a builders' licence.**

## Summary of Recommendations

- The National Registration Framework (NRF) should explore ways to expand the current licencing to include more fields and professions that carry out maintenance work, to achieve the NRF's stated goals across construction, design *and* maintenance.
- Where a maintenance function is not carried out by a licenced trade, and is within the scope of building legislation, the NRF be expanded to include that trade.
- 'Approved NCC training', as referred to in the NRF Taxonomy Table for each profession, or any other training carried out for registration under the NRF, should include training specifically related to, and case studies specifically detailing defects and non-conforming building products. Training should have a focus on the type of defects that result in the most non-conforming products.
- The Australian Building Codes Board (ABCB) through the NRF should allow adequate timeframes for existing contractors to attain new certifications and, if they have not met them in time, give a short deferral notice period for them to attain the relevant qualifications.
- Strata managers and professionals who engage contractors can easily learn or obtain information about who is registered or who is completing registration for the NRF in fields that have new requirements as a result of the NRF.
- Ensure that proper records are maintained and passed to managers who will be carrying out maintenance by creating regulations for documents to be passed or handed over to the new owners in the form of a building manual or another system that, in consultation with the strata sector, satisfied the needs of future actions such as maintenance works.
- The NRF should make it as easy as possible to ensure that hired professionals comply with the registration framework, and this information is readily accessible.
- Clarify under the NRF specific areas of certification that are not held under a builders' licence.

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