

Inspection by iPhone: Building watchdog ‘breached’ its own laws, then kept going

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Inspectors working for Victoria’s building regulator completed hundreds of virtual audits rather than physically attend construction sites, despite the authority having legal advice for almost two years warning these “inspections by iPhone” might breach the state’s Building Act.

In the [virtual audits](#), which are supposed to protect consumers from shoddy works, Victorian Building Authority inspectors ask plumbers to hold their smartphones up to construction works to prove their work has been done properly.



“No protection”: Tamara Railton-Stewart bought her Caulfield South apartment in 2015. It is fixed now, but was riddled with problems. SIMON SCHLUTER

The audits began during the pandemic and building experts say their continued use is driven by a need for the authority to meet inspection targets set by the state government.

The authority sought legal advice in 2021 from a construction law barrister and was told that the [online inspections](#) could breach the Building Act because it was unclear if they were safe. [The act's](#) main objective is “to protect the safety and health of people who use buildings”. A September 2022 investigation commissioned by the planning department, obtained by *The Age* and *60 Minutes*, also recommended the virtual audits cease because they risked inspections being “in breach of the Building Act”. It recommended “no more virtual audits or inspections be performed”.

Despite this, a leaked internal presentation shows that the agency’s plumbing inspectors conducted at least 810 virtual audits between June 2022 and February this year. From October after the legal advice that the practice should stop was highlighted by investigators, more than 250 virtual audits were carried out.

Victorian Opposition Leader John Pesutto said the virtual audits should cease, calling on the authority to do its job in line with the law. “The idea of carrying out property inspections via FaceTime would almost be funny if it wasn’t so serious and risked the safety of Victorians,” he said.

Phil Dwyer, a commercial builder of 45 years and president of lobby group the Builders Collective of Australia, said the virtual inspections were “absolutely” a breach of the Building Act. “Inspections have got to be on-site. There’s no in-between for peoples’ safety,” he said.

Premier Daniel Andrews was asked about issues at the Victorian Building Authority last week and directed questions to Planning Minister Sonya Kilkenny. She said Victorians expected their homes to “be built to approved building standards and built to last – and that the regulator is functioning appropriately and effectively”.

“I have been considering the Victorian Building Authority’s performance of its important regulatory functions and have sought advice from my department regarding the governance and management of the Victorian Building Authority. I will have more to say once I have received and considered that advice.”

The Victorian Building Authority said in a statement that virtual audits complement the work plumbing auditors did on the ground and that site visits were still necessary. The statement said virtual audits were launched at the height of the pandemic to balance community safety with building checks.

“Where suitable, the Victorian Building Authority continues to undertake virtual plumbing audits, and maintains a presence on the ground at construction sites across Victoria,” the statement said.

The building authority has been under the spotlight for its failures in the past 12 months: WorkSafe last year took the extraordinary step of issuing an order to provide a safe workplace for its 43 building and plumbing inspectors.

That followed one of the authority’s most experienced and respected building inspectors Rob Karkut – under intense pressure from Victorian Building Authority managers to meet inspection targets – taking his own life last May.

A WorkSafe report after his death found the Victorian Building Authority was an unsafe workplace due to managers pressing building and plumbing inspectors to tick off construction sites to meet ambitious targets set by the Andrews government. From 2020, the authority

began putting pressure on inspectors to meet an Andrews government order that 10 per cent of all building permits issued each year be inspected.

Conversations taped between Karkut and human resource officers at the authority three months before he took his own life reveal him telling them he had been pushed to the brink while trying to do his job as best he could.

“I’m at breaking point,” Karkut said in a conversation that he informed his managers he was taping.

The authority received multiple warnings of the stress Karkut felt he was under by the process of being performance-managed to meet inspection targets, despite 16 years as one of its building inspectors.

“You’re spending a lot of time going through my reports and checking them for minor detail. I think it’s over the top and really unrealistic and unfair,” he said in one conversation.



Andrea Holden, partner of the late Rob Karkut. SCOTT MCNAUGHTON

WorkSafe found the watchdog was placing building inspectors at risk by demanding they finish at least three inspections a day, or, in the case of plumbing inspectors, five a day. It found that what was being asked of inspectors was not reasonable or achievable because the daily target included all administrative work, which is extensive if inspectors find significant faults, and because of the time needed to travel between jobs.

Karkut’s widow Andrea Holden said building inspectors would suffer “consequences” if they didn’t meet their targets. “He was so particular. He couldn’t shortcut jobs. They [inspectors] were all being pressured not to do their jobs,” she said.

When Karkut died, the authority was pushing him to visit more sites – despite him saying he could not properly monitor building standards and hit these target numbers. In recorded audio,

Karkut told managers at the authority: “I’m trying to cover my backside because I think you’re becoming unrealistic with your expectations.”

The Community and Public Sector Union represented Karkut at meetings with the authority. Team leader Andrew Capp said Karkut’s death was “entirely unnecessary”, that the culture of the Victorian Building Authority was “toxic”, and that “responsibility for that was not down to one person, but the lack of leadership at the organisation.

“Over a period of years there has been a distinctly anti-union attitude in different areas of the Victorian Building Authority which, quite frankly, I’ve found surprising under a Labor government.”

Asked last week about the situation at the authority, Andrews agreed there were issues.

The premier referred to Karkut’s death when he was asked about the authority last week.

“There was a tragedy at the Victorian Building Authority not long ago and that exposed some very significant cultural issues there. There is a program of work that’s underway to try and address those,” Andrews said.

Victorian Building Authority chief executive Sue Eddy was first appointed in 2017 and reappointed for another five years in 2022 by the authority’s board. On Friday, staff at the authority were told she was taking personal leave because of a personal family matter.

Asked what support Karkut was offered after telling a human resources officer and another manager he was at breaking point, the authority said all its staff had access to counselling through its employee assistance program. “We continue to support our people and embed values and behaviours that ensure the Victorian Building Authority is a safe workplace,” it said

Five of the authority’s current building and plumbing inspectors, all of whom risk losing their jobs if their names are revealed, said the daily inspection targets were extremely problematic. One said it forced them to the brink of “a dangerous dereliction of duty”. One building inspector said the corners they were encouraged to cut were confronting: they were instructed not to inspect concrete slabs, or to conduct virtual inspections.

“The more defects you found, the longer an inspection would take because of the administration process needed,” the inspector said.

The questions over the state’s building inspection regime come amid wider concerns about consumer protection and the watchdog’s regulation of builders who break the rules.

One example is the owner of the now liquidated Shangri-La Constructions, Obaid Naqebullah – who until March 31 this year retained a Victorian building licence. A number of his buildings around Melbourne have had to be repaired.

In response to issues at an apartment building in Clayton, the VBA proposed Naqebullah pay a \$54,000 fine and his building licence be suspended for six months. That was dropped to \$20,000 and a three-month suspension after the builder applied for an internal review.

The state planning tribunal reduced the suspension to a reprimand but upped the fine to \$25,000. Naqebullah declined to be interviewed when approached by *The Age*. He no longer holds a building licence after surrendering it voluntarily in March.

Tamara Railton-Stewart bought an apartment in a Shangri-La building in Caulfield South which was completed in 2015. She said Shangri-La’s workmanship was so poor millions of dollars were spent fixing construction problems. Naqebullah declined to comment.

Railton-Stewart spent three years communicating with the Victorian Building Authority about Shangri-La and her apartment block's many problems – which ranged from flammable cladding and mould to flooding and structural flaws.

That cladding has now been fixed thanks to spending by the owners with assistance from Cladding Safety Victoria, while millions of dollars in other repairs have been done to the rest of the building.

Railton-Stewart said she was appalled to discover how little protection the VBA provided home buyers. “You’d think you’d have protection, but you’ve got none. No one’s doing their job. It’s horrifying.”

The authority said in a statement that it had received complaints from owners of properties built by Shangri-La, including Railton-Stewart. “Investigation of those matters is ongoing,” it said.

Lifeline 13 11 14; Beyond Blue 1300 224 636.