

POLITICS VICTORIA **COMBUSTIBLE CLADDING CRISIS**

Cladding crisis result of building industry privatisation

By **Clay Lucas**

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The “annihilation” of local government’s role in overseeing Victorian building approvals has directly contributed to Melbourne’s cladding crisis, one of the state’s top construction consultants says.

Premier Daniel Andrews this week announced a \$600 million rescue package for thousands of apartment owners around the state whose buildings are covered in flammable cladding.

With potentially billions of dollars in repair work needed to make buildings clad in flammable materials safe, many in the construction industry are asking how the sector was allowed to reach such a parlous state.



Victorian Premier Daniel Andrews, right, and Planning Minister Richard Wynne announce the \$600 million cladding fund. AAP

From the early 1990s, successive Victorian governments outsourced building approvals, once a staple of local council responsibilities.

But local government needed to regain greater control of the building approvals process, respected fire engineer and building surveyor Stephen Kip said at a conference on cladding and fire safety on Wednesday.

“This was never the policy outcome that was intended – that there would be complete annihilation of local government as a regulatory authority,” said Mr Kip, a consultant who contributed to the government’s Victorian Cladding Taskforce research.

Councils in Victoria are effectively removed from the building approvals process, with over 97 per cent of building permits now issued by the private sector. “Privatisation has taken over,” said Mr Kip, who commended the state on its move this week to directly tackle the cladding crisis.

Mr Kip said successive governments, from Joan Kirner’s Labor administration in 1990, had moved to introduce competitive tendering processes in councils – which were widely regarded as sluggish and inefficient at approving construction work.



Joan Kirner’s government began the deregulation of building oversight. NOT-FOR-SYNDICATION

Deregulation of construction sector oversight was turbo-charged under former premier Jeff Kennett. He declined to comment on the impacts of his government’s building regulation changes when contacted by *The Age* on Wednesday.

Private building surveyors were only intended to “help local government deal with the peaks and troughs of the building industry”, Mr Kip said.

Planning Minister Richard Wynne in 2015 removed one of the worst conflicts of interest in state construction regulations, which had until then allowed a builder to appoint their own surveyor.

This had led to builders hiring surveyors who rarely if ever defied their employer by refusing to issue them a building approval.

Mr Kip said that he often discussed this with those in his profession.

“I say to building surveyors often, if you really believe you are doing a good job, of the 10,000 permits you would want to issue over 10 years, how many you refused? If you’ve refused none, then you have failed the pub test.”

Local government does not necessarily want back the contentious role of issuing approvals for building, but Municipal Association of Victoria president Coral Ross said that there was definitely a need for greater regulation.

“As a councillor, I get as many queries about building issues as I do planning issues – even though we don’t have a role [in building approvals] anymore,” said Cr Ross, who is a councillor with Boroondara.

“We do think there needs to be more regulation, and we think there needs to be more independence in the building industry,” she said.

Mr Wynne said the state government was focused on “getting on with rectification works”, in order to give thousands of apartment owners confidence that there was a solution.

“It will give apartment owners, the property market and the building industry more confidence,” he said.

Premier Daniel Andrews this week asked the federal government to match Victoria's \$300 million in funding to fix buildings with flammable cladding. The request was immediately slapped down by Treasurer Josh Frydenberg, who said building regulation was the state’s job.



Building surveyors were for many years employed directly by the developers whose work they needed to approve. BLOOMBERG

The state will now raise the other \$300 million needed for its package by increasing charges on permits for major building projects.

Mr Wynne and all of the nation's state building ministers will meet with federal Industry Minister Karen Andrews on Thursday to discuss both the cladding crisis, and the withdrawal of many insurance companies from covering building surveyors.

He said Victoria wanted to work with Canberra on a "long-term fix" to cladding issues, and to insuring surveyors. He said a national approach to insuring building surveyors was "the only way forward".

The Opposition's planning spokesman Tim Smith said the cladding crisis, and the subsequent withdrawal of insurers from covering building surveyors, could have been avoided had the Victorian Building Authority done a better job of regulating the industry.

He called for a parliamentary inquiry into the authority.

"This is a total and utter failure from the VBA," Mr Smith said.

Asked whether the deregulation of the industry ratcheted up in the Kennett era was at the heart of the problems of properly policing the industry, he said this was a bit rich.

"Labor have been in power for 16 of the last 20 years," he said.



Clay Lucas



Clay Lucas is a senior reporter for The Age. Clay has worked at The Age since 2005, covering urban affairs, transport, state politics, local government and workplace relations for The Age and Sunday Age.
