

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON ACCREDITATION OF BUILDING PRACTITIONERS MET AT DEVONPORT, FEDERATION ROOM, UPPER LEVEL ON 31 AUGUST 2006

Mr PETER GODFREY WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Harriss) - Welcome, Peter. Thank you for your written submission. I do not think you were here at the earlier deliberations. It is important for us to mention to all witnesses that we are not going to matters related to the agreement signed between Bryan Green and John White because the Director of Public Prosecutions is considering that matter so we will be steering clear of that but essentially your submission is to the substance of the scheme in operation and your criticisms of it so in addition to your written submission, we would like to hear your further verbal evidence and then we will ask some questions.

Mr GODFREY - I heard those people talking and I am a bit disgusted with the way that that system works. As I said in my submission, I used to work as an electrical contractor years ago in New South Wales and before privatisation came along, the work was inspected by an inspector. If it did not comply with Australian Standard 3000, the electrical code, you got a defect notice which meant you paid a fine of \$10, then you paid another \$50 for a reinspection and the inspector came back and checked that you fixed your work and in the case of a builder, the builder has to comply with the Building Code of Australia and numerous other codes - 1684 is the framing code you have to comply with, plumbing works have to comply with the plumbing code, roofing has to comply with the roofing code. If it does not, the work is non-compliant. It is not finished. It is not done properly. It should be fixed. That really should be the council building inspector's job, that they are trained well enough to inspect to the standard. Then if it doesn't meet the standard, the council should be the one issuing the non-compliance and making you fix it up again. It is just ridiculous.

I don't think the Tasmanian Compliance Corporation or any private body is suitable for building accreditation. A private body that is there with a licence to print money is not in the interests of builders or their customers. It should be a government department, who knows something about the building trade to start with, who accredit builders, and the accreditation is nothing to do with a builder's skills. There was never any test; no-one ever came out to see whether a builder's work was any good. The main thing was that the insurance company was happy that you had enough assets that they could strip your assets if you did something wrong, and it still is. I have a letter from the insurance company that they wrote to my boss - and I can give it as evidence if you want to look at it - from a mob called Vero, whoever they are. One of our clients had a leaking ventilator on the roof about a year after my boss built the house and he thought, 'Oh, well, I've got insurance, I'll claim'. He rang the insurance company and the e-mails are here from his contact with the insurance company. The insurance company said, 'If you've got a problem, yes, submit a claim and we'll deal with it'. They dealt with it, they wrote to Z and they said - and I will read some of the words, you can have it as a letter from what Z said:

'Please contact the owners and arrange a meeting with a view to discussing and resolving the complaint. We have advised the owners to expect your call in this regard. The owners have been advised. If you fail to contact them within the next fourteen days they are to further notify us in which case the complaint will likely proceed to a formal insurance claim. In the event of a formal insurance claim is submitted by the owners and the insurer accepts liability in respect of the claim, the insurer would in the ordinary course direct you to attend any rectification works deemed necessary, and the insurer would seek to recover from you any costs incurred by it in relation to assessment and acceptance of the claim.'

That is not insurance. A customer pays maybe \$2 000 to this insurance company for their home indemnity warranty, and they come after you, come after the builder, make him fix the work then charge him for their expenses and they still have the \$2 000 in their pocket doing nothing with it. That is not insurance. In the event that the builder is dead or insolvent, what are they paid - 20 per cent maximum of the policy's value. If I insure my car for \$20 000 and it gets burned or trashed, I want my \$20 000, not \$4 000. The whole thing is just a circus.

What is an insurance company? They do not look at the builder's skills either, all they do is look at how much money they've got, how many assets they've got, and every year the builder has to fill out the forms again to show how many assets he still has, which then stops any young person starting their own business. It is impossible for someone to do an apprenticeship, come out of their trade and start a business. They do not have the assets for the insurance company to accept them. This money should be in a government fund, not an insurance company's pocket. If you put the \$2 000 insurance per house into a government fund and if there was a claim, it could be paid back out of that fund; it could be doing something useful with it. It's just a waste of space, the whole thing.

There is a point about CPD points. CPD points are just a laugh as well. A builder learns far more by going down to a hardware store and buying new stuff and the bloke at the hardware store saying, 'Have you seen this new product?' than he ever does at those courses that the HIA and MBA run. They're a waste of space as well. Z went to a course one night and the trainer came up from Hobart. It was pelting down with rain and he said, 'I've got to go home tonight, it's really bad, the road might be closed. I'll leave now'. He left within an hour, a three-hour course, three CPD points for the hour, but that cost Z an hour to drive into Launceston, an hour to drive home, an hour to be there, theoretically three hours to be there, so by the time he pays his \$500 a year into the coffers of the TCC and then turns around, leaves work early, so that costs me money as well which I am dark on, it costs him money to leave work early, go to town, hang out there, sit around and do some silly course that is designed for CPD points. Everyone goes to the ones worth the most points of course because they want to go the minimum times possible. It is just a joke. And as you hear, it never got rid of dodgy builders. All that rhetoric about getting rid of dodgy builders, it did not get rid of any of them. It got rid of a lot of old builders who were really good at their job but did not want to be opened up to losing their houses if they made one mistake on a job, and that is what happens. They say, 'I am not going to do that.'

One bloke had been in the trade 50 years, could not get insurance because he did not have enough assets, and another bloke who wanted to build a couple of spec houses went

to the MBA, shelled out \$750 and he is an accredited builder - he never built a house in his life. He happened to have enough money and that is okay. A real estate agent we talked to at the first HIA meeting said he could be an accredited builder. He had three completion certificates. He is a real estate agent - never done a bit in his life. He did not know how to pick up a hammer but he was a builder. He could get the points. He could get the accreditation. The whole thing is a circus and the TCC, you have heard what they are like. It took them one-and-a-half years to send Z his card to say, 'I am an accredited builder,' and a silly looking sticker to put on the side of the car, 'Use an accredited builder.'

Most of the guys we know are not accredited anymore. They work for owner-builders because the owner-builders are the ones that you can work for without all this rubbish. They do not have to have this stupid home indemnity warranty so they save themselves a fortune and here the Government says, 'We are getting rid of owner-builders.' Why? People should be allowed to live in a piano crate if they want, they can build their own house, and a lot of owner-builders do a pretty nice job. I do not see any reason to get rid of them. They tried that in New South Wales. It failed as well. Every scheme they ever bring in to get rid of owner-builders, brings out more owner-builders. It drives them underground and that is what has happened.

I think there are four builders we know in Deloraine that did not take up accreditation because they did not want to lose their place. They did not want to lose everything they owned when they were in their 60s.

What else have I got to go off about? Planning. Monopolies. Privatisation has not worked at all. We can only look at our train lines to see that, and I do not know if anyone can throw any light on any privatisation that has worked but privatisation of building accreditation has not worked to anyone's advantage.

As I put in my submission, the way the work goes now, before someone builds their own house they are up for maybe \$10 000 before they have a hole in the ground by the time they have paid \$3 000 or \$4 000 for an accredited building designer to draw their plans, and that is a joke. I used to work designing transportable cabins and selling them and organising to get them built and I drew all the plans. I drew the plans by reading the building code, reading the framing code, understanding what the whole thing was about and drawing the plans to put every detail of those things on. We get a plan from an engineer and it says, 'This will comply with the BCA and AS1684.2' and it is up to the builder to make sure it complies and that is the plan, and they charge someone \$2 000 for that. It is ridiculous. I used to submit 13 pages of plans. Before Meander Valley Council accepted my plans they were 13 pages long, with every detail shown, but I am not an accredited building designer because I did not get completion certificates. I built a transportable product.

You are paying \$3 500 for a set of plans and they tell you nothing. Half of them have not even got working plans in them. You pay \$500 for a bloke to come out and drill two holes in the ground with an auger and say, 'Hey, that is clay. Beauty.' Class AS or M soil. The building code says 450 square, 450-deep footings, no problems. Most of the areas have soil maps. You do not need to pay \$500 for a bloke to drill a hole in the ground to tell you it is clay. Then you have to pay an engineer to design your footings and he writes on, 'The builder shall make sure that all work complies with the BCA and

we accept no responsibility but pay us \$1 000, thank you very much,' and that is how it works. I have not got a copy of them here but that is what they write on them. It is insane. What is the customer paying for? They are paying for nothing.

The fellow mentioned the case in Launceston where the builder decided the footings did not look big enough so he made them a bit bigger and then it was his responsibility for when it fell apart because he obviously knew something was wrong and so he over-built and it was still his fault.

I laugh every time I hear affordable housing mentioned on the radio by anyone in the Government. I think, 'You guys have to be joking'. It might be affordable if you are on the wage you guys get but most people do not get that sort of money, I can tell you. They are scrimping and saving and trying to get something that they can afford to live in.

But, say you are paying out \$500 for a soil test, \$1 000 for an engineer to design a set of footings that the builder can design by opening Australian Standard 1684.2 and say, 'That is the soil class, that is how big the footings have to be and that is what he has to build to anyway', so there is \$1 500. Then we pay this theoretical insurance where they just pocket the money and say, 'Thanks a lot, another \$2 000'. Then you have to pay for the plans. You are looking at \$5 000 to \$6 000 and we have not even gone out and looked at the place yet. When you have that on a mortgage, that is \$12 000 to \$15 000 in reality, which is a lot of money for someone to have to shell out for absolutely nothing. If a builder does not know enough to design a good set of footings he should not be there.

What else did I mention? Probably enough. But I reckon you guys might have some questions and if you want to fire away, I might think of more. David Diprose was offering to sell builders CPD points. The TCC in one of their most recent newsletters said that they only just found out about it. That was happening well over a year ago, that you could send him a few bucks and buy some points. They mean a lot, don't they, if you can just buy some?

Mrs SMITH - Can you just clarify that? We need to get this quite clear. Was it Mr Diprose himself or the TCC that invited people to write in? Do we have that in writing?

Mr GODFREY - This is stuff I have from my boss and I do not have the letter offering to sell CPD points, unfortunately. I wish I could find it.

Mrs SMITH - We may be able, later in the proceedings, to assist with that.

Mr GODFREY - This was a long time ago.

Mrs SMITH - Are you aware of the cost of the purchase of these points?

Mr GODFREY - No, I am not aware of the cost. I remember us talking about it at work and that it was cheaper than driving into town, paying for the course and driving home. But I do not know what the cost of the points was. But we both looked at it and thought that sounds too dodgy and not likely to work.

Mrs SMITH - If I am to interpret what you are saying correctly, you are giving evidence that a director of TCC offered to sell CDP points for a price without any person having to go

and do any specific training to earn their CDP points? Is that a correct interpretation of what you have said?

Mr GODFREY - That is it, yes. It is in a TCC newsletter somewhere that I had in here that they sent out.

Mrs SMITH - We have a copy of the newsletter.

Mr GODFREY - The code of conduct.

Ms FORREST - When you sent off an amount of money to claim CDP points, did you get anything in return?

Mr GODFREY - We were not silly enough to send off money for them, no. We both laughed when we received the letter.

Ms FORREST - Do they offer then, if you sent \$100, for example, that you would get back some information or anything that you -

Mr GODFREY - From memory, there was not anything in the letter about what you would get, other than, 'If you send us money we can assist you to get the points without having to go and do the courses'.

Ms FORREST - So you were not informed of what you would get?

Mr GODFREY - No, there was not a real lot of detail. You get points, that was all we were told in the letter.

Ms FORREST - You get points but was there anything to support the points, that you are aware of?

Mr GODFREY - No, not that we know of.

CHAIR - The code of conduct, Peter.

Mr GODFREY - The code of conduct! What a circus. If anyone signed down - and unfortunately my boss did. I said, 'You've just signed your life away for about the next 10 lifetimes.' How could anyone possibly sign something to say that they will not wilfully disregard relevant and appropriate matters? What the hell are relevant and appropriate matters? If you took that to court you would be shot. You would have no idea what they were talking about. Then you agree not to engage in sharp practice which is harsh, what does that mean? We are not supposed to sharpen our chisels, what does it mean? You would have to sit with a lawyer for a day to figure this out. And you commit yourself to a process of continuous education, training and professional development so as to constantly keep abreast of developments in building practice and the law relevant to their duties. What builder studies law? What are you going to do? You had to sign and read all of this like not to act where there may reasonably appear to be conflict with your personal interests and the duties of their clients and profession and peers and the public. We have to take every person on the planet into account before we pick up a hammer. They could nail you in a court on any single thing here, no matter

what you did, if you sign this paper, which my boss did because he had to to get his licence for the next year. It is just ridiculous. 'Demonstrate that all reasonable steps have been taken to ascertain and document all available facts relevant to the performance of their duties.' What are you going to show, a Workplace Safety video on hammering and nailing and the use of tools and whatever else? You couldn't possibly comply with any of this stuff. This is just so over-the-top. I have never seen a document like that that I've been asked to sign to be accredited for anything. When I was an electrician you were accredited because you did your trade and you passed the course and you convinced them that you had enough years' practice in the trade and that you had enough knowledge of all the different bits of work that you were going to do, not because you signed a stupid piece of paper and had a lot of assets.

CHAIR - Peter, is that a document which you would be prepared to table with your various -

Mr GODFREY - Oh, no worries at all. You don't have this? Goodness, it is ridiculous.

CHAIR - We have various -

Mr GODFREY - The TCC sent out code of conduct and got everyone to sign it.

CHAIR - Do you know the date of that?

Mr GODFREY - No, it was for this year's accreditation that it came out. Here is the TCC news with buying CPD points. It just says here that -

'The TCC has recently been made aware of an offer to building practitioners that may appear to provide CPD points in exchange for purchasing a copy of the authorised scheme for accreditation building practitioners.'

It didn't mention that years ago. There is also the audit where they are happy to say they got 29 builders suspended because the insurance company didn't think to have enough assets to fleece them.

CHAIR - That's the TCC newsletter, is it?

Mr GODFREY - Yes, do you have that?

CHAIR - Yes, we do, thank you.

Mr GODFREY - Yes, that is just ridiculous, to go out trying to get rid of practitioners in a State where we are screaming for builders. Instead of going out and trying help them and say, 'What's the problem, why haven't you got this insurance cover? How can we help you get it?', they are happy to go and get rid of them. It's like going down the road and nailing everyone who is trying to help a little old lady walk across the road - and put them in jail.

Ms FORREST - I want to take you back to the beginning of your submission, Mr Godfrey. You talked about the number of people becoming accredited for a variety of reasons. Would you see it as a preferable outcome perhaps that all builders were accredited

provided that their credentials were assessed against their competency as builders and properly manage that way rather than the ability to get insurance if you have enough assets, for example, as one of the factors?

Mr GODFREY - That is the main criteria at the moment. It should be competency-based. It is TAFE's job to say whether someone has the ability to do their job.

Ms FORREST - Yes, so you are saying that if builders were assessed against their competencies rather than their ability to have insurance and that was the process through which they were accredited, that would be a reasonable system and everyone should be accredited. So, I, as a consumer, could go to the list of accredited builders and know that this builder, here on this list, has met a level of competency assessed by his peers, basically, that will tell me he is a competent builder who possibly has insurance as well?

Mr GODFREY - Yes, that would give you protection as a consumer, wouldn't it? The fact that I maybe own four houses and can get insurance doesn't give you any protection as far as my building work goes, does it?

Ms FORREST - So you would agree that if that was the way it was assessed, that all of the builders should be accredited and we shouldn't lose them -

Mr GODFREY - Totally, yes.

Ms FORREST - So do you agree then that more flexibility is needed in assessing competency? You talked about your own situation where you can't get three completion certificates because you build mobile buildings, or whatever you call them.

Mr GODFREY - Yes. They've been on the back of a truck and went out and got put all over the State.

Ms FORREST - So you don't get a completion certificate on those because they're not actually completed on site?

Mr GODFREY - I didn't actually put them on the site and put the footings in and then put the council work in, the customer would. He might be in St Helens.

Ms FORREST - So someone else would get the completion certificate?

Mr GODFREY - They get the certificate, yes, even though I organised all the work.

Ms FORREST - So you are suggesting there needs to be more flexibility within that assessment and competency process, is that correct?

Mr GODFREY - Yes. I used to be a TAFE teacher in the electrical trade for seven years and we had a thing called competency-based learning where you could go out and do a workplace assessment on someone to assess what their ability was. Nowadays they don't actually have to go and do all the courses, but you can go out and assess them. That is what should have happened for builders. Before, anyone could be a builder as long as they got a hammer and a nail and wandered around and hung up a shingle. That is probably not an ideal system because you get people who are dodgy and don't do a good

job and don't know the codes and don't bother to read them. But if someone went out like in this case we had the TCC; they should have gone out and had a look at all the builders' work and just said, 'How is it you've put pine straight on the ground? You're not allowed to have it within 150 ml. You've got to show us you can bring your work up to standard otherwise you're not a builder'. That is the system.

Ms FORREST - In the previous submission you heard evidence being given that for the nurses, for example, you have a government registration board that can then take appropriate disciplinary measures if a complaint comes forward. Would you agree then that the accreditation and discipline of building practitioners and the assessment of their competencies firstly and then the process through which they could be judged by their peers, I guess, would be best handled within a government department as the nursing system is?

Mr GODFREY - It would be much better. Consumer Affairs or the department of fair trading, something like that, should run that sort of system, or Workplace Standards who run the electrical system here. It has to be a government department. With someone whose main criteria is how much money he can get for running this system, it is not in their interests to run a good system; it is just to get as much money as they can. A government department is the only one that can put the resources out there that need to be put out there to do it, to have the inspectors, to have a system where they run it properly. To take a year and a half to send you a plastic card is pretty dodgy, isn't it? It's a pretty tacky system.

Mr WILKINSON - I hear what you say, Peter, in relation to competency, and that's my view. If you are competent, whether you have a huge amount of money behind you or not makes no difference whatsoever because you want a person to build your house who can do it, as opposed to -

Mr GODFREY - Who knows the rules and does it according to them.

Mr WILKINSON - Yes, as opposed to what assets that person has. There's got to be a situation, though, do you agree, where insurance has to be involved as well because even the most competent can, from time to time, be negligent?

Mr GODFREY - They do, yes.

Mr WILKINSON - So what do you say should be involved with that in relation to insurance? Are you saying that somebody like the TCC should be able to stand behind the person that may not have assets to support that person by way of insurance?

Mr GODFREY - I don't think private is the way to go, it should be an industry or a government fund that that insurance money goes into. Then that can be invested, or whatever the Government wants to do with it, and if there's a problem and the builder can't fix it themselves properly, then the money comes back out of that fund, a not-for-profit fund.

Mr WILKINSON - A bit like lawyers, I suppose. There's one fund there that the lawyers subscribe to and if one of the lawyers is incompetent and has to pay damages for

negligence, they bring it from that fund as opposed to that person's personal insurance. That's the type of thing.

Ms THORP - MAIB do the same thing.

Mr GODFREY - Some of the insurance stuff is just exorbitant. We were talking to our engineer and he said that his professional indemnity insurance was \$100 000 a year, so that means he has to fleece his customers to \$2 000 a week before he earns any money. That's just outrageous. That's why they charge \$1 000 to say, 'Here's a map for your footings', which we can draw ourselves and we know anyway.

Mr WILKINSON - Sure. Therefore the body should be able to go out into the marketplace to endeavour to get for the building industry the best possible insurance for the whole industry.

Mr GODFREY - Yes, if it is an industry fund or if it just each job that comes up, the builder rings the government department in charge of building licensing and says, 'I have a job worth \$25 000 and they say, "Right, send us \$500 for the insurance" ' and you put that into that fund and it just sits there and the Government pays out if necessary. Or if it does not pay out they can use it for training or development or apprentices or something. But I do not think it needs to be a private insurance company. It is not in their interests to pay out, is it?

Mr WILKINSON - A private insurance company in the end, though, would most probably be the ones that would take it on because -

Mr GODFREY - They might. But I think a government fund where it just gets paid into that fund would work as well, where it is a pool rather than an insurance.

CHAIR - Peter, your message is very clear as to your assessment of the deficiency of the accreditation scheme as in place, from your own personal experience and that of your employer. Thank you for taking the time to appear before the committee. As we have mentioned to other people, when we finalise our considerations we produce a report which is tabled in Parliament and you will receive your copy of that, as one of those who have been interested enough to make a submission.

Mr GODFREY - Good luck with it all. Thanks for running the inquiry and wanting to look into it. There are a lot of people out there who need to be helped with it.

THE WITNESS WITHDREW.