

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

Mr COLIN RYAN WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Harriss) - Thank you. We note from your submission that you are an accredited building practitioner and that you have some concerns about the operation of the scheme which we now have. I note also in your submission that you made a comment there about the three-year continuing operation of the TCC. I do not think you were here at the start of the last witness?

Mr RYAN - No.

CHAIR - We are confining our deliberations, for the moment, to matters related to the operation of the scheme now in place. We are staying away from the matters related to the agreement signed between Bryan Green and John White. There is a sentence in your submission which alludes to that. We are required to stay away from that because our deliberations may prejudice the deliberations currently being undertaken by the Director of Public Prosecutions, so if you can likewise stay away from any comment related to that issue because this is a public hearing; it is a matter for the public record. We cannot in anyway be irresponsible to prejudice those considerations.

Mr RYAN - All right.

CHAIR - You go right ahead and make yourself comfortable.

Mr RYAN - I should be fairly short and to the point; you obviously heard a lot of broader stuff from the gentleman before me. I did my apprenticeship with my father many years ago and went through as a builder and then moved away from the industry into other occupations. I believe that the building industry should have a registration process. In fact, it was tried 15 or 20 years ago and it fell over and never happened. The way that it has been set up and the way it has been done are really detrimental to the building industry at large. I toyed with whether I would go for registration or not, and in the end I decided to. I have not physically built a large structure, like a dwelling, for 15 years, which as for myself. I could not meet the criteria that I had to go through for registration - what you had done over the last five years. What I did was put in a fairly lengthy submission to them. I went through and listed the houses I had built. I went to the council and obtained a letter from the Devonport Council saying that we had built all these house and there were no problems with them. After a period of time I received a letter back from the Compliance Corporation saying that I had not met their criteria. I said to him, 'I cannot meet them but I am a qualified carpenter, I have worked in the industry, I demonstrated to you what I have done. You are registering bricklayers, plasterers and all these people who are in industry, currently working'. He said, 'You will have to get a letter from a building surveyor, saying you have done this and this'. I said, 'If you open my submission there is a letter there stating that.' He said, 'Yes, righto.' We went on with two or three other things and he said, 'Okay, we can do that then.' It clearly demonstrated to me that the guy had absolutely no idea what he was doing. He

was just flicking and ticking boxes. If you have flicked and ticked his boxes, you received your licence. The guy had no ability to pick my submission apart and say, 'All right, this guy is a qualified carpenter, he has built these houses and so on and he is competent to do it'.

Mr WILKINSON - Who did you speak with?

Mr RYAN - I do not know. It was obviously one of the key guys there who was handing out the builders registrations. He could not read my submission and work it out. He sent me a letter to say you have to meet these criteria, when I had clearly sent a submission saying I am not going to be able to meet those criteria. After making him open up my submission, which he obviously had not done, and read it, then he said, 'Okay, that is fine.' They then issued me with a builder's licence.

CHAIR - Colin, would you be in a position to provide us with your submission which you made to the TCC and also the criteria which they sent out to you that you needed to comply with? Can you forward that to us, please?

Mr RYAN - Yes, I can do that. This guy clearly had no competent to read the thing that I had sent to him. When I pointed out the things to him and I sent them enough stuff that they did not need to ring me. They had it there in front of them.

Ms THORP - When you are getting that paperwork together to send to us, if you recall the name of the person -

Mr RYAN - I have it on the letter he wrote to me. I went around and took digital photos of what I had done because I knew that, having done nothing for the last five years, I should put a fairly substantial submission into them to get it, and that is what I did.

Ms FORREST - Are you suggesting that you should not have been accredited because you did not meet the criteria or that you should have been because of your past experience?

Mr RYAN - He should have had enough knowledge so that he could read my submission. I clearly said in the opening letter that I cannot meet your criteria for the last five years because I have not built for the last five years. He totally ignored that and sent me a letter saying, 'Give me the stuff for the last five years'. He clearly had not taken much time to read what I had sent him because that was in the covering letter. You have to wonder about their ability to do what they were doing. I am basically trying to help the guys that were in front of me because I haven't done a house yet since my accreditation under indemnity insurance. I basically work for insurance companies and do small stuff and really decided only to get the accreditation so that if the side of a house burns down I will need it then to fix the side of the house, but that actually hasn't happened yet.

The bottom line for a builder in this State is that his accreditation is decided by an insurance company. It is about how many assets you have, like the other previous guy said, and what he can build to. At the end of the day, those assets are only protecting the insurance company; they are not protecting the public. I cannot understand why they need such large criteria. I have watched all these programs on the TV about what goes on on the mainland with builders and getting into strife. What happens over there a lot is they pay out large deposits, half the time, before the builders start. To the best of my

knowledge, in this State, if there is a deposit in a building contract it is only a small deposit. You usually have three to four key points through the house that the builder gets payment for and that never happens until he has actually completed the work.

So I do not see where there needs to be this huge amount of indemnity and assets to back it up because, one, the work is completed before its paid for and, two, if a builder has problems with the indemnity insurance and doesn't address the issues then he is not going to be in the industry for very long. If they fail with one indemnity insurer they are sure not going to get indemnity with someone else. There is far too much emphasis placed on the assets that the builder has to have to put up to build.

Mr WILKINSON - It is a bit like, is it not - and it might sound silly - your fishing industry. You could be a cray fisherman and you could have a licence to catch a certain amount of fish and yet you do not go and catch those fish - and you probably haven't caught a fish for 20 years. What you do is employ people to go out and catch those fish for you. It is same, is it not, with this building industry? The people that are accredited often aren't the people who are actually doing the work; they are the people up there in the front and all they do is sit back and employ others to do their work.

Mr RYAN - That is certainly the way it is headed. I have a case that I am trying to help a friend with at the moment. This owner/builder has taken on this job and has failed in the most basic of things. They have the side of a house and they have put the footpath into it and then they have rendered down to it. Now the footpath is moving and all this render is coming off the bottom of it.

It is an absolute basic principle that you either render it first and put the path up to it or you put some packing in against the side of the house, put the footpath up to it and bring it down so it can move. Owner/builders want to, at the end of the day, save the money and do it themselves, but they don't want to take the responsibility and they don't have the knowledge to do some of these basic things like that that ultimately get them into trouble. So the owner/builder side of it is a real issue. A lot of the guys that are doing it can end up with a substandard house that they can sell after seven years. It doesn't have to meet any of these criteria after seven years; it can just be sold.

Mr WILKINSON - Mr Dean is an owner/builder you see, Colin, I am wondering whether he is listening to this.

Ms THORP - So am I.

Mr DEAN - I am listening to it.

Mr RYAN - If the industry wants owner/builders then they should have to do a few days' learning. I have heard that that is probably going to happen. They need to go and do a few days to actually know some of the basic principles of what they should do with a house otherwise it can end up a real problem.

Ms THORP - On that note though, for all the important skill-based stuff, people usually get in an electrician and a plumber - they have got to do that?

Mr RYAN - Yes.

Ms THORP - And you usually get advice from someone before you tackle a task. In our case it was a builder friend who would come in and say, 'Your next job is this.' He would start us off and then come back to check we had done it properly and then move on. The only thing we mucked up, as I was saying to my colleague, was to put all the clip-lock on the roof the wrong way around.

Mr RYAN - The structural stuff is going to be reasonably all right because they have got to employ a building surveyor to check things. The sort of thing I am talking about does not get checked by anybody and ends up being a drama if it is not done right.

These CPD points that the gentleman is talking about, I get this stuff all the time. You go to a Gunns display and you get two points for going to that. All you are doing is going to a Gunns display that wants to sell you tools or this or that. It is not really about the industry, about learning. They are struggling to put on enough stuff to get the CPD points, so all these manufacturers and so on are coming out and you are getting points to go and attend that.

Mr WILKINSON - Do you have to pay to attend?

Mr RYAN - Mostly not, no. It is fairly minimal.

Ms FORREST - Trade things you would not have to because they are trying to sell you something, I guess, but TAFE or anything education specific you would pay for, I would assume?

Mr RYAN - Yes. They use the training authority to subsidise a lot of the stuff so it is fairly minimal. When new technology and things come into the industry, the people that are introducing them are going to do it, so the builders are going to find out because they want the builders to use their technology. They are going to come out and they are going to make sure they know what is going on. They are going to teach them how to do it -

Ms THORP - And they do not want it to fail.

Mr RYAN - And they do not want it to fail.

Ms FORREST - Maybe there needs to be a mechanism for recognising that and accrediting points for that. That was what I was suggesting. That is the way to look at it, more flexibility.

Mr RYAN - Yes, and that is fine because the people that are putting out this new stuff are going to make sure everybody knows how it is put on, how it is done. It is in their own interests to do so.

Ms THORP - It is a very bad advertisement otherwise, isn't it?

Mr RYAN - It is not going to happen if they do not get out into the industry and sell themselves.

Ms FORREST - One of the other issues with the CPD is that, though you might not have to pay to attend a workshop or a seminar or a trade display or whatever, it is time away from your job, and there is the travelling. If someone from Circular Head or somewhere like that has got to go to Launceston there are fuel costs, travel costs, and time away from their business. It is nearly a whole day away to go to something like that and financially that can be quite a struggle. That is what I am hearing. Do you agree with that?

Mr RYAN - Yes. We do work for Aurora. I had to spend \$360, plus a day in Hobart and accommodation and everything, the other day to go and get a ticket to work in there on one of their sites, so the ticket is probably worth \$1 000 to \$1 500.

Mr DEAN - On those courses, you probably heard Peter, I think it was, say that one course was a waste of time and so on. Are they of benefit or are they nonsense?

Mr RYAN - Pretty well most of it is a waste of time. Most of the things that come up with the CPD point are about Gunns or Boral putting it on or somebody else subsidising it and putting it on. It is about selling their own products and at the end of the day they are going to come out in the industry and sell their own products anyway. You do not have to go and see them to get CPD points for that to happen. It just does not need to happen.

The only other major thing is that I really believe the Compliance Corporation should be a non-profit organisation. If it is run as a private enterprise it is there to make money, but it should not be there to make money. Someone could argue that private enterprise do it more efficiently than government, and it will be cheaper than government doing it, but at the end of the day I believe it should be a government-run organisation and a non-profit thing. If it is run by private enterprise then it is going to be profit-based. On the profit side of it, it is \$500 a year for us for three years. They either lost a lot of money in the first year or they are going to make an awful lot in the next two because setting it up in the first year was where all the work was. After you got it set up, it is fairly simple. I can't see a private organisation losing a lot of money in its first year, so I reckon they're going to make a heap of money in the next two.

I just felt that I had the time to come along and say something. I really believe that some of these things are just not right. At the end of the day they really probably need to listen to the Housing Industry Association and the Master Builders and listen to some of the organisations that the builders are all involved with. The current thing is certainly not going to protect the public at large, which it is designed to do. It is just not going to do that because you've got insurance companies sitting back there, and we've all dealt with insurance companies. They are not going to pay out in a hurry; they are going to fight like hell before they pay out.

CHAIR - Thank you very much, that was concise and very much to the point about the issues your criticisms of the delivery of service and your view about private enterprise versus the Government.

Mr RYAN - The only letters I've had from them over the last six months have been about paying my \$500, and I actually did that last week. I thought, bugger it, I may as well pay them, so I paid them.

CHAIR - Grudgingly.

Mr RYAN - Yes.

THE WITNESS WITHDREW