

## **BUILDING SERVICES (REGISTRATION) BILL 2010**

### *Introduction and First Reading*

Bill introduced, on motion by **Mr W.R. Marmion (Minister for Commerce)**, and read a first time.

Explanatory memorandum presented by the minister.

### *Second Reading*

**MR W.R. MARMION (Nedlands — Minister for Commerce)** [12.39 pm]: I move —

That the bill be now read a second time.

The Building Services (Registration) Bill 2010 brings much-needed reform to the registration and control of persons and entities operating in the building industry today. The current Builders' Registration Act has its genesis in the period before World War II. Despite being amended no fewer than 27 times since 1939, it remains an antiquated and inflexible piece of legislation with significant anomalies, inconsistencies and anachronisms. The Painters' Registration Act, which commenced in 1963, is similarly outdated.

Two examples illustrate the outdated nature of the Builders' Registration Act. First, the Builders' Registration Act does not have the flexibility to provide for the creation of different classes of registration to reflect the various levels of complexity of building work and the specialties that have been developed in the building industry today. This means that a builder of carports is registered in the same category and must have the same qualifications as a builder of multistorey skyscrapers. Secondly, a member of the public who wants to build a garage in their backyard can do so unhindered once he has local council approval, but if that same person wants to build a patio, an offence is committed unless a registered builder is used. This bill addresses those problems by replacing the Builders' Registration Act and the Painters' Registration Act with a flexible scheme that allows for any type of building service to be prescribed in the regulations, as well as classes within each of those services. Initially, it is anticipated that builders, painters and building surveyors will be required to be registered. However, this may expand or contract as circumstances require, including in response to the direction of national licensing proposals, which, in relation to the building industry, are scheduled to commence in July 2013. This flexibility is also needed to support streamlined building approvals under the Building Bill.

Individuals with relevant skills, qualifications and experience and who are deemed to be a fit and proper person may seek registration within a building service occupation as registered building service practitioners under this bill. Individuals who provide building services to others under a contract must also be registered as a building service contractor. The bill sets out various requirements, including financial and supervisory standards, that must be satisfied before registration as a building service contractor may be granted.

Partnerships and companies can be registered as building service contractors in a relevant occupation only if they have a nominated supervisor who is a registered practitioner, to ensure such entities have competent persons in charge of the building service. Registered builders and building companies who enter into contracts with consumers will remain fully responsible for all work carried out by the tradespersons and subcontractors under their control. Although it is not envisaged that individual trades will be registered, the bill is flexible enough to allow for this, especially if national licensing proceeds in this direction.

Builders, painters and building surveyors are currently registered or accredited under three separate statutes. This bill will replace those statutes with a single system of registration and control for persons working in building occupations regulated by this bill. In doing so, the bill will abolish the Builders' Registration Board of Western Australia, the Painters' Registration Board, the Building Surveyors Qualifications Committee and the Building Disputes Tribunal. This is in accordance with the government's policy of reducing the number of government agencies, statutory boards and committees.

The principal regulator of building service providers and building standards in Western Australia will be the Building Commissioner, to be created as a statutory office under the Building Services (Complaint Resolution and Administration) Bill. The Building Commissioner will operate with the Building Commission, which was established as a division of the Department of Commerce in July 2009. A single Building Services Board will be established by this bill, which will comprise a chairperson, two consumer representatives and two representatives from each building service regulated by the bill. The board's primary responsibilities will be to make decisions on the registration and approval of building service providers and owner-builders; make decisions on whether to take disciplinary action before the State Administrative Tribunal against building service providers; hold hearings into minor disciplinary matters; and provide advice to the minister and the Building Commissioner. The Building Services Board will not be a body corporate and will work closely with and receive administrative support from the Building Commissioner and staff of the Department of Commerce.

The bill significantly strengthens consumer protection by bolstering controls over the supervision requirements of building service providers, which is a key weakness in the current legislation and a cause of poor building work and disputes with owners. Building companies, for example, will be required to nominate one or more supervisors to oversee all building work that they carry out and to maintain suitable supervision arrangements at all times. Under this bill, the Building Services Board may also order the suspension of a building service provider if it is of the opinion that the provider has engaged in conduct that constitutes grounds for suspension or cancellation and is likely to continue the conduct, and there is risk of significant loss or damage to consumers as a result of that conduct. The bill will require owner-builders to show that they have sufficient knowledge of the duties and responsibilities of an owner-builder before they can be issued with a building permit. This is consistent with the requirement in most Australian states and is in addition to changes proposed under the Building Bill that will require high-risk parts of buildings to be inspected by a registered building practitioner. Together, those measures will improve the standard of owner-building in this state and protect owner-builders from claims by subsequent owners for poor or noncompliant work.

Maximum penalties for working as an unregistered building service provider will be significantly bolstered from \$10 000 to \$25 000. For the first time, building surveyors will be required to be formally registered under the bill. Currently, persons with relevant surveying qualifications can gain accreditation to obtain employment as a building surveyor with local government. Concurrent changes introduced by the Building Bill will deregulate the certification of builders by local governments and allow privately employed building surveyors to perform this service. Formal registration will provide protection for consumers who choose to use the services of private building surveyors and certifiers.

There has been extensive consultation with the public and industry in the development of this bill and the other three related bills. This has included consultation with the stakeholders such as the Housing Industry Association of WA, the Master Builders Association of WA and the Western Australian Local Government Association. There is strong support among those stakeholders for these reforms.

In summary, this bill provides a modern and flexible scheme for regulating building industry occupations. It supports other reforms dealt with in this package of bills, which is aimed at streamlining the building process and dealing with building disputes and, ultimately, at enhancing the standard of building and housing affordability in this state.

I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman**.