



Design and Building Practitioners Act 2020: Practice Standard for Professional Engineers

Strata Community Association (NSW) Submission
10 August 2023

INTRODUCTION

1. Strata Community Association (NSW) Overview

Founded in 1980, Strata Community Association (NSW) was formerly known as the Institute of Strata Title Management. SCA (NSW) serves as the peak industry body for Strata and Community Title Management in New South Wales. The association proudly fulfils a dual role as both a professional institute and consumer advocate.

2. Membership

SCA (NSW) boasts a membership of over 3,000 members, including lot owners, suppliers, and professional strata managers who oversee, advise, and manage a combined property portfolio estimated to be worth over \$450 Billion.

3. Strata and Community Title Schemes in NSW

NSW is home to 89,049 Strata and Community Title Schemes. A significant 95 per cent of these schemes are comprised of residential lots. Altogether, the total number of Strata and Community Title lots in NSW stands at 1,043,690.¹

4. NSW as a Leader in High-Density Living

According to the 2022 Australasian Strata Insights Report, there are 2,501,351 people residing in apartments across Australia. A majority of these apartment dwellers (51 per cent) are in NSW.² NSW also leads the way in the trend to higher density living in Australia and boasts the highest proportion of apartment households relative to all occupied private dwellings, standing at 22 per cent.

5. Employment Impact

Strata is a significant employer, directly providing jobs to 1,413 managers throughout NSW, as well as an additional 1,317 other related employees.³

6. Promoting Professionalism

1. SCA (NSW) is dedicated to fostering a high standard of professionalism in the strata industry with initiatives like the Professional Standards Scheme (PSS), which contributes to ensuring strong consumer outcomes for over 1 million strata residents in NSW.
2. SCA (NSW) membership encompasses a wide range of entities, from large corporate companies to small family businesses to dedicated volunteers. Members possess expertise in all aspects of strata management, service provision, and governance.

For further information about this consultation, please contact Dylan Lin, Policy and Advocacy Officer, SCA (NSW). Dylan.lin@strata.community

¹ Hazel Easthope, Danielle Hynes, Yi Lu and Reg Wade, Australasian Strata Insights 2022, City Futures Research Centre, UNSW, Accessed at https://cityfutures.adu.unsw.edu.au/documents/717/2022_Australasian_Strata_Insights_Report.pdf

² Ibid, p.8-13

³ Ibid, p.8.

SCA (NSW)'S RESPONSE TO THE CONSULTATION PAPER QUESTIONS

Introduction

SCA (NSW) acknowledges the ongoing commitment exhibited by the NSW Government towards the Construct NSW reform agenda. Furthermore, the initiative by the Department of Customer Service ("the Department") in formulating a Practice Standard for Professional Engineers is acknowledged, with SCA (NSW) actively participating in providing feedback on the proposed Practice Standard for Professional Engineers.

Overall, **SCA (NSW) lends support to some of the proposed amendments while withholding support for others.** The association concurs with the Department's objectives to establish a lucid and enforceable benchmark, outlining the expectations and requisites for Professional Engineers registered under the Design and Building Practitioners Act 2020 ("DBP Act"). This proposed standard complements the existing compliance framework outlined in the DBP Act, serving as a guide to aid Professional Engineers in comprehending and adhering to their obligations stipulated by the DBP Act.

In providing feedback, SCA (NSW) has structured its responses in alignment with the order of the questions presented in the consultation paper. It is noted that not all questions necessitated feedback, with emphasis placed on addressing the most pertinent questions to enhance the efficacy of the suggested amendments.

SCA (NSW)'s Response to the Consultation Paper Questions

Question 1

In relation to Question 1, **SCA (NSW) does not propose any changes to the definition of 'professional engineering work'.**

Question 2

Concerning Question 2, **SCA (NSW) does not support the current insurance approach requiring 'adequate cover'.** The utilisation of the term 'adequate' is problematic due to its ambiguity and lack of precision. A more effective approach would entail specifying a minimum coverage threshold and implementing a 10-year run-off period.

Question 3

Regarding Question 3, **SCA (NSW) believes mandatory insurance requirements should be prescribed.** Concerning the specifics of such requirements, they should encompass an adequate coverage amount, a designated run-off period, and limited exclusions, akin to the insurance requirements of Home Warranty Insurance.

Question 4

Concerning Question 4, **SCA (NSW) has no suggestions for alternate approaches to ensuring Professional Engineers and other regulated practitioners could be considered in providing confidence of an adequate remedy to non-compliant work by practitioners.** The association's input on the matter is to emphasise the necessity of ensuring adequate compensation.

Question 5

Regarding Question 5, **SCA (NSW) supports the introduction of the 'fit for purpose' obligation for Professional Engineers carrying out design work, consistent with the provisions of the Home Building Act.** This leads to the consideration of the potential extension of this obligation to all engineers.

Question 6

Regarding Question 6, **SCA (NSW)** proposes the adjustment of the suggested 'fit for purpose' criteria to align with those of the Home Building Act, aiming for enhanced consistency.

Question 7

In relation to Question 7, **SCA (NSW)** does not have any observations or feedback to offer.

Question 8

Regarding Question 8, **SCA (NSW)** supports the introduction of design obligations on Professional Engineers.

Question 9

In relation to Question 9, **SCA (NSW)** does not have any observations or feedback to offer.

Question 10

Concerning Question 10, **SCA (NSW)** believes additional requirements are necessary to **ensure consumers receive the information they need from Professional Engineers undertaking work on their behalf**. Every consumer is well-informed about the Home Building Act and desires the proper execution of the undertaken work. In the event that the undertaken work is not done properly, the consumer will be covered by insurance.

Question 11

Regarding Question 11, **SCA (NSW)** supports introducing mandatory independent third-party review for engineering designs on high-risk or complex building projects.

Question 12

In relation to Question 12, **SCA (NSW)** does not support making the developer responsible for seeking third-party review when required. Instead, the association maintains that the responsibility for such actions should be entrusted to engineers rather than developers.

Question 13

Regarding Question 13, **SCA (NSW) supports the use of the ‘building complexity’ definition in the National Construction Code as a baseline to identify high-risk or complex buildings.**

Question 14

In relation to Question 14, **SCA (NSW) does not have any observations or feedback to offer.**

Question 15

In relation to Question 15, **SCA (NSW) does not have any observations or feedback to offer.**

Question 16

In relation to Question 16, **SCA (NSW) does not have any observations or feedback to offer.**

Question 17

Concerning Question 17, **SCA (NSW) supports the proposed obligations for Professional Engineers when undertaking independent third-party reviews as set out in the draft Practice Standard.**

Question 18

In relation to Question 18, **SCA (NSW) does not have any observations or feedback to offer.**

Question 19

Regarding Question 19, **SCA (NSW) supports the introduction of a positive obligation on Professional Engineers to carry out on-site inspections.** This preference is grounded in the understanding that these inspections lie beyond the expertise and skillset of certifiers.

Question 20

Regarding Question 20, **SCA (NSW)** supports the approach that allows a Professional Engineer to use their experience and expertise to determine sufficient inspections for a project.

Question 21

In relation to Question 21, **SCA (NSW)** does not have any observations or feedback to offer.

Question 22

Concerning Question 22, if the proposed Practice Standard incorporates compulsory inspection schedules for Professional Engineers, **SCA (NSW) would be in favour of this approach.** However, it's important to note that prior and similar approaches have proven to be ineffective, particularly in the context of mandatory inspections by certifiers.

Question 23

In relation to Question 23, **SCA (NSW)** does not have any observations or feedback to offer.

Question 24

In relation to Question 24, **SCA (NSW)** does not have any observations or feedback to offer.

Question 25

In relation to Question 25, **SCA (NSW)** does not have any observations or feedback to offer.

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