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### **Condition reports for strata buildings when using the dispute resolution process**

SCA (WA) is providing feedback in response to an announcement on the Government of Western Australia Department of Mines, Industry Regulation and Safety (DMIRS) website, titled "Condition reports for strata buildings when using the dispute resolution process: Defects versus Maintenance."

SCA (WA) would like to dispute certain assertions made in the publication, and recommend that the publication is reconsidered, to ensure that the information within is portrayed accurately.

For example, the publication states:

*"Strata companies are engaging building inspectors to undertake a report pursuant to the new requirements for a formal 10-year plan (condition report)."*

SCA (WA) suggests that the above statement is misleading. Whilst technically not incorrect, building inspectors are not necessarily required to be engaged to prepare 10-year plans, and in fact strata companies may prepare the plans themselves.

As such, it is misleading to discuss the lack of quality of the condition reports being prepared throughout the publication without contextualising that it is not only building inspectors that undertake the task.

The publication makes the argument that condition reports are being prepared incorrectly, and supplied to building and energy with inconsistencies, stating:

*"It is common for strata companies to lodge the entire condition report as evidence of faulty or unsatisfactory building work without first considering if it is faulty work by the builder at the time of construction or a maintenance item that has arisen over time."*

SCA (WA) recognises that Building and Energy believes that those completing the condition report should consider if the work is as a result of the builder at the time of construction, or a simple maintenance item.

However, SCA (WA) would contest that the lack of culpability of builders is a core component to consider. Our membership has indicated that in almost all cases when strata managers raise potential defects with builders, their response is that the issues should be classified as general maintenance (SCA (WA) would be happy to provide evidence of this if required).

Similarly, in too many cases the builder who originally constructed the building has become insolvent and entered administration, and as such the defunct builder is not responsible for, nor able to, rectify the potential defects anyway, with the owners having to undertake that responsibility themselves.

**Strata Community Association (WA)**

Ultimately, SCA (WA) believes that the actual failure is not in the reports being prepared and provided to the Commission, it is the quality and qualifications of who is preparing the reports.

There are currently no minimum qualifications required for the party that is preparing the report. As such, SCA (WA) contests that the quality of information most schemes are receiving from those preparing the reports is often poor. In some cases, the information provided in the reports is completely incorrect, and, in almost all cases SCA (WA) contests that the majority of essential items (such as the condition of the roof and electrical infrastructure) are not being reported on at all.

### **Potential Solutions**

Currently, owners are not able to fully benefit from their 10-year plans, which are intended to be a high quality, industry leading initiative and an essential component for increasing the protection and confidence of consumers living and buying into strata.

As such, as a first step, SCA (WA) believes that it would be both appropriate and beneficial for DMIRS to facilitate the production of an approved list of building inspection service providers. Such a list may provide consumers with the ability to access professional services, and increase their confidence in the report being completed correctly.

Concurrently, the provision of educational materials to support the effective completion of condition reports would be immensely beneficial.

### **Conclusion**

SCA (WA) would ask the Building and Energy Division to revisit and reassess its [Condition reports for strata buildings when using the dispute resolution process](#) article, and ensure that the assertions made therein (as it pertains to building maintenance items and building defects reporting) paint an accurate picture of the cause of the issues with the current processes.