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Local engineer calls out developers for cost-cutting measures



By [Brittney Levinson](#)

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An experienced Canberra structural engineer has revealed the cost-cutting measures developers use in apartment projects and are "never held accountable for".

Mal Wilson of Advanced Structural Designs outlined the issues in a submission to a Legislative Assembly inquiry into the proposed Property Developers Bill 2023.

The [bill would require residential developers to hold a license](#) and establish a public register of licensed developers.



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The scheme would also consider development companies liable for building defects for the first two years after a building is occupied unless they can prove otherwise.

Directors of development companies could also be held liable in the event the company is wound up.

The bill would also introduce powers to issue rectification orders for residential building work up to 10 years old, including work done prior to the bill's commencement.

Developers 'never held to any account'

Mr Wilson, who has 40 years of experience in engineering, has spent much of his career designing building structures and writing reports on defective complexes.

He was among about a dozen groups who appeared at the inquiry on Thursday.

In his submission, Mr Wilson recalled a conversation with a well-known Canberra developer who instructed the engineer to not include set downs in internal wet areas of a unit complex.



📷 Mal Wilson of Advanced Structural Designs supports the proposed developer licensing bill. Picture by Gary Ramage

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"I told him that was a very bad idea because there would be a step-up walking into the bathroom that people would be kicking their toes on," he wrote.

"His response was 'I know that, you know that, but the average person buying a unit has no idea, and I have just saved \$500 on every unit'."

Mr Wilson said, in his experience, developers who made these decisions were simply trying to minimise costs and gave no consideration to the long-term consequences of their decisions.

He said the developer licensing bill was "well overdue".

"I have been an expert witness on many cases of builders or designers being sued but never a developer being sued," he wrote.

"They probably wield the most influence over the quality of buildings in the ACT but are never held to any account for the decisions they make."

Christopher Kerin, principal of Kerin Benson Lawyers and a specialist in ACT strata law, also appeared at the inquiry and welcomed the proposed bill.

"The exposure that developers would have under the bill is nothing more than the exposure that builders currently have in the ACT," he told *The Canberra Times*.

However he was concerned with the ACT government's ability to find the staff to enforce the legislation.

Industry groups say legislation will deter developers

The proposed bill has [come under fire by the Property Council of Australia](#), which says mandatory licensing will drive developers away from the territory.

After appearing at the inquiry, Property Council ACT and Capital Region executive director Shane Martin said the council did not oppose developer licensing, but was against the personal liability element of the bill.

"This runs the risk of seriously deterring residential investment and development away from the ACT into neighbouring jurisdictions at a time when we are facing a housing crisis and we need more supply," he said.



 Property Council of Australia ACT and Capital Region executive director Shane Martin. Picture by Sitthixay Ditthavong

The Master Builders Association of the ACT also warned the legislation as it stands would result in reduced investment by property developers.

However, others have challenged the suggestion.

Mr Wilson said the legislation would likely see "the very worst" developers "go and find other ways to fleece people and that they will be quickly replaced by decent human beings".

Mr Kerin said developers would likely face similar legislation elsewhere.

"They can go to New South Wales and find very similar provisions there or they can go to Victoria and Queensland where those governments are taking recommendations in relation to accreditation," he said.

He doubted ACT developers would walk away from a market many had been operating in for decades.

"They have deep, long-established relationships, they understand the system and it would take a lot for them to abandon that, I would have thought," Mr Kerin said.

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ACT Minister for Sustainable Building and Construction Rebecca Vassarotti wrote in her submission to the inquiry the bill was structured to ensure liability was first directed against the corporate entity, not the director.

"Director liability will only arise where the company is wound up, in administration or deregistered," she said.

"There will be no avenue for personal liability if the company remains operational and meets its obligations to customers and any regulatory orders."

Ms Vassarotti said this would discourage phoenixing activity, where a newly created company takes over an insolvent company.



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