

Publication Date: 3 February 2022
YSP Podcast Transcript: Episode 298. The essential waterproofing course for owners, managers and contractors

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Intro: Welcome to Your Strata Property, the podcast for property owners looking for reliable, accurate and bite-sized information from an experienced and authoritative source.

Amanda Farmer: Hello and welcome. I'm your podcast host Amanda Farmer. And my guest this week is Caroline McConnachie. Caroline is the General Manager at MAX Build. Caroline is also a board member of ACRA, the industry association raising the standards in remedial building. This is not my first chat with Caroline, we spoke back in Episode number 191, where Caroline walked us through the essentials of remedial building works projects. In that earlier chat, we covered why it is that remedial projects often have a more significant impact than other types of construction work in our strata buildings. How owners can take control of their project and ensure a successful outcome. Why tenants are often the least informed, but most impacted parties. And we discussed a framework that you can follow to ensure a smooth project from inception to completion. So do head back and have a listen to Episode 191, if you haven't managed to catch it yet.

This time around Caroline and I are discussing remedial waterproofing. ACRA has joined with Construct New South Wales to develop an online course, which is a how to guide on running a successful remedial waterproofing project. In today's chat, Caroline walks us through who the course is for, what it's all about. And I have heard from Caroline just as we go to publication with this episode, that the course will be ready in early March 2022. If you're listening to this chat after that date there will be a link in the show notes for you to access the course. Before then stay tuned, it's a good idea to pop a comment under this episode on the website to let me know that you'd like to find out when the course is live and I will come back around and make sure you have that link.

Just head over to yourstrataproperty.com.au/podcasts, you'll see this Episode number 298 on the page with all relevant links and the opportunity for you to comment. I'll take you over right now to my chat with Caroline McConnachie. Caroline McConnachie, welcome to the show.

Caroline McConnachie: Thank you for having me, Amanda. Great to be here.

Amanda Farmer: Great to have you back. We have definitely had a chat on the podcast previously, and I've decided it's good timing to get you back at this point because you've been working on something exhausting, exciting, important, I know, and I'd love for you to share it with us. So let's kick off there, give us some background to what you've been working on.

Caroline McConnachie: So I'm on the board of ACRA, which is the Australasian Concrete Repair and Remedial Building Association. I've been working on a course about remedial waterproofing. And this is for both aging buildings, increasing their life's span and for defective new buildings. It has been an incredibly interesting and educative process. I've done a lot of learning, creating this learning module, which we're doing in conjunction with Construct New South Wales.

Amanda Farmer: So this is a course for remedial waterproofing.

Caroline McConnachie: It is. It's designed for strata managers and for owners, but in actual fact, it really is a course for anyone that is involved within remedial waterproofing. So I would say a contractor, a remedial contractor should be really picking this up as well as a consultant, a remedial consultant, because one of the parts of creating this course is we've learned that there hasn't been much of a bridge between all of these important stakeholders. So we've filled the gaps between those and closed off those silos and we think that we can all be learning a lot more of each other.

Amanda Farmer: Let's step back a bit. Why do we need a course about remedial waterproofing? And I suppose, give me your opinion from where you sit as a remedial contractor.

Caroline McConnachie: Well, as a remedial contractor, we see waterproofing day in, day out. There's barely a remedial project that doesn't include some form of waterproofing. So it is essential to what we do when we are looking at aging buildings. What we

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know is that with remedial waterproofing, that we are seeing that waterproofing defects are the number one defect that's appearing in strata schemes. Waterproofing is complex, it's not really given that status of complexity that it actually does have. If it is done right the first time, it is so much cheaper than getting a remedial contractor like myself in and a consultant. It's also far less invasive, waterproofing is essentially embedded into the system. It's both a physical design, so how you design the water to be collected, how it falls, how it's diverted out of the building, that's critical. And then of course, there's the membrane system that you choose that you opt for as well, but those aspects were all built into the structure. So if you need to amend that, it is very costly, it's very invasive and it creates more than financial costs.

Amanda Farmer: So is this new course going to help waterproofers do a better job during the construct phase? Or is this course directly related to remedial waterproofing only?

Caroline McConnachie: This is 100% about remedial waterproofing. So this is when the building either has a defect or the building is older and it needs to be reviewed, or if it could be incidental, if you are looking to upgrade your building. So maybe you are updating the balconies or adding balconies, then these are things that then you need to be considering waterproofing for.

Amanda Farmer: I have to say, I think it would be the rare building, the rare strata committee, and definitely the rare strata manager who hasn't come across waterproofing in their time or the need to turn their mind to this issue. So I think this is going to be a fantastic resource for managers, for owners. You mentioned that Caroline, that it has been developed in partnership between ACRA and Construct New South Wales. Can you speak a little bit about Construct New South Wales and who's involved in that, is that our building commissioner David Chandler involved there?

Caroline McConnachie: Yes, he's involved as he's the Director of Construct New South Wales, Matt Press, Vanessa Carmody-Smith, who's in charge of Pillar 3 and also Rebecca Evans who works also at Fair Trading. So they've been our key people, as well as representatives from TAFE. So this course has all this technical input and then it's been designed by learning designers. So it will be a very good, helpful, intuitive course for people to do.

Amanda Farmer: Excellent. Can you give us an overview of what is covered in the course?

Caroline McConnachie: So we will be covering off first off, what is waterproofing? We'll be explaining the complexity of it. I think one of the important aspects that we want to get across is that it really does require professionals to be involved in it. And what time you engage those professionals and the correct ones. So there is a lot on roles, so who does what, who's who in the zoo. We also look at, what does good look like? Because one of the issue with waterproofing is you have a strata committee and they're not necessarily technical experts and probably in most cases aren't experts. So how do you then make a solid informed decision about what does good look like when you don't have that expertise? So this is really about a one on one of explaining everyone's role so that we can all work better together. That's a critical part.

We also look at the technical component. So the origins of this course was it was going to be very technical. And then through our collaboration with the OBC and Construct New South Wales, we pivoted it to be far more for the end consumer, for the strata owner, because we also identified in addition to defects being a major issue, that there are definitely pain points because this is an area that comes across in a strata scheme all the time. So we wanted to address those pain points in this too. An example of that would be how you modify a rooftop, for example, for something like solar panels or to add anchor points for furniture, so it's not too close to the balustrades, just simple things like that. We came across, there being lots of little pain points that we could be addressing in this course.

The other thing is that we've created heaps of downloadable checklists for owners and for strata managers of how you select all of these people. We wanted to make it really clear, also the process of if it's a defect, where do you start with a defect? And again, where do you start if it's an ageing waterproofing issue? So we wanted to create a roadmap for how an owner and a strata manager can guide because they're the champions of the project, those two groups, how can they guide to the best possible outcome? So that's an important part. We've got some case studies and some practical information from real-life examples that also that owners can be following as well. I think I've covered everything off. It's a jam-packed course. We're trying to squeeze a lot into two hours.

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Amanda Farmer: Two hours. So it's online or it's in person. How does it work?

Caroline McConnachie: It's an interactive course that you can do online and you go to the Construct New South Wales website and you can purchase it there.

Amanda Farmer: Excellent. We will make sure we include a link to find out more and to purchase the course in the show notes for this episode. Two hours interactive online, so there are particular dates when it's delivered, or...

Caroline McConnachie: If you can't sleep at 3:00 AM, you could be online doing this course.

Amanda Farmer: Oh, Great. Excellent.

Caroline McConnachie: That might send you back to sleep.

Amanda Farmer: Much more educated and dreaming of watertight buildings and balconies.

Caroline McConnachie: Yes.

Amanda Farmer: What are we hoping for with this course? It's something that has been supported by government. There absolutely will be desired outcome and agenda there. We not are dealing with contractors in our new buildings. I know commissioner Chandler is very occupied with those people at the moment. What are we hoping for, for somebody or for a building that has somebody who's completed this course?

Caroline McConnachie: What we would like for people to take away from this course is please engage a remedial engineer at the very beginning of this project. They are the people that will help set up for success the waterproofing project, regardless of the size. I'm often asked, "Does it matter if it's a \$10,000 job or a \$100,000 job? Can't we just get an installer in?" The answer is no, don't cut that cost because it's essential to a good outcome for your building. We want to see fewer defects in remedial works because there are defects obviously in remedial as well as in new buildings. We want to see fewer conflicts in buildings that could have been prevented by setting up your project for success. Again, we want to see fewer tenancy lease breaks as well, because we know that there are a lot of strata owners who are investors. We want to see that their investment is protected. And we want people to understand what good looks like and that's across all sides of the fence. So the strata manager, the consultant, the owner, the contractor, the installer, we want everyone to raise the standards everywhere.

Amanda Farmer: Now I'm sure this is covered in your course, but you've mentioned there the importance of a remedial engineer. Can you explain for our audience a little bit more about who that person is and what they do at the beginning of, and throughout a waterproofing project?

Caroline McConnachie: A remedial engineer, they're also referred to as a remedial consultant, but there are technical differences between the two. A remedial engineer is someone who has experience in waterproofing remediation. They come in at the very big beginning and provide some form of diagnosis. Your strata manager cannot do that. An owner provides that brief, some photos, examples of what's happening in their building to the strata manager, but it's not the strata manager who can diagnose that problem for them. This is why it's really critical that you get that consultant on board at the very beginning. Once they've done that diagnosis and they might bring in someone like myself, MAXBuild to do that investigation work. Because one of the things, and I mentioned this at the beginning is that remedial waterproofing is embedded into the structure. So often to really determine the size and extent of the problem, you need to peel back the layers and the peel back the layers sounds quite gentle. But I'm talking about jack hammering and getting all those tiles out.

It's invasive, it's dirty as you grind through the building as well and noisy. So there's the investigation piece to really understand the full scope of works that are involved. Then the consultant can, again, they're bringing in onboard contractors that they trust and have a solid reputation. So you've got this continual quality assurance that's going on through the process, if you set it up properly.

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You then have a tender where you then choose between say three contractors and they provide their quotations. Having an engineer involved will make sure that you are comparing apples for apples. What often happens when it's left to the strata manager to bring in quotes, they've given a general overview on brief. There may not then be an investigation piece because that requires engaging someone directly. And secondly, you often will then have different ways of saying the same thing and you might not understand the nuances of what's being said.

So for example, there will be exclusions that you won't understand how big that exclusion is, if you don't have that technical experience. So a consultant they can reign it all in and they can then describe it in a way that is understood by all as well. And a good consultant can do that. They're not talking down to people, they're not showing off their technical experience. They're also cognizant of the commercial reality of a remedial waterproofing project for an owner. So for instance, they're not the out to necessarily, over-engineer a solution. A good engineer will listen to what the commercial realities are for that building too. They may not want the roles right solution. So there's that aspect that needs to be factored in too. I think that there's a concern of over-engineering when you do engage a professional engineer, but that isn't the case if you select someone correctly, then they should be superintending that project.

Again, I see if the engineers dropped off at that point, the superintendent should be there for the whole process. The reason for that remedial waterproofing, there are so many unknowns. Again, you are likely to find that there are variations when you start ripping apart the building. Note in that investigation piece that I mentioned earlier, often, it's sample tests. It's not the whole area. So once you actually open up the whole area, you might see a whole raft of other problems. One of the things that we want to be educating all about is that variations are very common when you start to open up a building. Then you need that consultant to be there for... So typically there's a progress claim that a contractor makes each month or fortnightly that needs to be reviewed by someone with the technical expertise, because they can see if there's an overclaim in place, which there sometimes is.

So it's important that you have that trusted independent representative of the owners, who have their back and have their finances at heart too. It's not to say that the contractor, there is an ill intention there, but there are sometimes overclaims that are made. There are also variations that are raised by a builder, and it's the consultant, that technical expert who can determine whether it is a genuine variation or not too. We also find there are provisional sums in waterproofing projects. So that's where we have an estimated quantity or allowance of particular materials that are going to be used, but we don't know until we're actually waterproofing, whether all those materials will be used. So that's where you need someone who can measure that and certify that that is the case.

Amanda Farmer: You've mentioned in there, Caroline, and thank you for that great summary of the role of the consultant. You've mentioned independence. And that is a complaint that I have heard from clients, from contractors in the industry. I've even made this complaint from time to time that sometimes some engineers, some consultants don't appear to be truly independent because their fee is tied to the contract price. They might be getting 8% of the contract price is going to the consultants. So that would jump out to me as a lawyer, as a somewhat of a conflict of interest when assessing payment claims, variations, additional sums that are being claimed by the contractor. If they're approved, then the engineer gets more too. I would love your thoughts on that. Do you agree with that? Do you see that? And is there a way to avoid that and have a truly independent consultant and these concerns simply don't arise for owners?

Caroline McConnachie: Okay. So we did look at cost for this course, and we felt that it probably needs a module in itself, so we've parked it, but next year, look out for the cost explained course, because it is really important. We know it's a huge pain point and we know that there's suspicion around the independence purely based on the price. In the same way, engaging a lawyer there's that same argument can be made. One thing to observe here is that engineers aren't typically great marketers. So they don't explain their value. They will go away and do their work and their technical stuff, but they're not necessarily explaining what's going on behind the scenes to create that invoice. They do have incredibly high professional indemnity insurance cost to pay out. So there is that, that they have to factor, they've got to factor the risk of the project, the complexity, how much time they're going to be required to be doing the job.

Not all contracts are tied to the contract value and there are pros and cons to all the different pricing fees. So there's, you can have

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week to week, you can have hourly, we've seen lots of different ways that you can slice and dice it. Probably the most efficient though is to tie it to the contract value because that will give you the biggest sense of the complexity of the project.

Amanda Farmer: Or even perhaps a hybrid approach that perhaps that's the starting point and then additional services may be priced differently. Thank you for calling out lawyers, you're exactly right. That the way that lawyers have traditionally charged on a billable hours basis is often seen as very much being in the lawyer's favour. And what we're seeing here in our profession is that shift to fixed fees and fixed fee quotes. And shifting that risk over to the lawyer that we should know how much a case is going to cost or at least have a pretty good idea and be able to quote a fixed fee. And I definitely see room for that in the remediation industry, if you've got experienced players should have a pretty good idea of how much a project is going to cost, but still be able to build into the contract, some protections for those unforeseen and additional items that maybe they'll be carried out at an hourly rate. Some education around pricing, I think is absolutely a great idea.

Caroline McConnachie: What I do mention is also just the number of site visits that are required for that work. And now we've got extra certifying that is required to.

Amanda Farmer: Yes. Let's get into that. I know you are across the new legislation in our Design and Building Practitioners Act, there is waterproofing is relevant there. Can you fill us in on some of that?

Caroline McConnachie: Yes. At ACRA we've been working very closely with Construct New South Wales on this new regulation because interpreting it from a remedial perspective, there's still some clarity that we need. An important piece of the new regulation is that to sign off on the works, you need to be a design practitioner. We need a design practitioner and we need a building practitioner. Both parties need to sign off on remedial waterproofing works now.

To be eligible, there are a couple of classes of how you can be eligible, but high-level architect or engineer. There are more, but for remedial waterproofing, these are the two that you need to be aware of. What we found is that a few consultants who are not engineers have been cut out of the market because they can't sign off on their own designs. This then means that if you are a consultant, you need to then collaborate with someone who is eligible to sign off on your designs. What we've seen in some of our projects where this has happened is that that's meant sometimes a \$30,000 increase in fees for the owners. So this is something to be really looking at when you are choosing your consultant and also whom you're choosing as your contractor. It shouldn't be an issue with a contractor, but it might, depending on if you choose the wrong type of contractor.

Amanda Farmer: Thank you for pointing that out. That is some critical information there for our owners doing waterproofing projects now under this new legislation. And is this covered in the course, Caroline?

Caroline McConnachie: It is covered in the course. And one of the things I would also like to add with this increased cost because there is even if you are a design practitioner, there will be an increasing cost for owners as we move forward with this because it is creating more accountability. But what we are also seeing is more front end design. So trying to get more of that design resolved at the beginning of the project. What you'll see for owners is more protection with all this accountability and less variations, if more are identified in that fixed sum at the beginning. So less nasty surprises.

Amanda Farmer: Sounds sensible to me. At this stage best place to go is yourstrataproperty.com.au/podcasts. You will see this podcast episode with Caroline McConnachie in the list and click through you will see the link to check out the course. Don't need to do it at two or 3:00 AM, but if you do happen to be awake, worried, hearing the rain on the roof, hearing the rain against the windows, worried about leaks in your apartment building, jump online and do that course. I for one will be checking it out. I think it's a fabulous resource and thank you, Caroline, for bringing it to our attention for working on it with ACRA and Construct New South Wales and looking forward to seeing what's next.

Caroline McConnachie: Great. Thanks, Amanda. Thanks for having me on the show.

Amanda Farmer: Thanks, Caroline.

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