



Strata Management, Professionalised.

Membranes, Mischief and Misunderstandings

Why the remediation quote on your
table is probably too high – and what
to do about it

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Membranes

Building defects — and how the industry responds

Water remediation \$4B pa → New / old / underfunded → The pattern

Vancouver 1980s–90s

45% of condos, 1985 - 2000. Barrett Commission. New consultant class. Same liability incentives. Same result.

NZ 1990s–2000s

60% homes of a generation. NZ\$47.7B. Monolithic cladding. New specialist class rewarded over-specification.

Australia now

39% of NSW apartments have serious defects.
Waterproofing is the single largest category — 23%.

Genuine failures → Regulatory response → Exploitation of complexity

2,450 NZ state schools with weather tightness

5 years on, fewer than have had been repaired

2012 investigative report findings

1. Failures were specific and localised
2. The prescribed Acceptable Solution 'led to incorrect expectations of what was required'
3. The Building Code did not require full recladding and reroofing. Remediation should target actual and proved failures only. Future failures were not to be addressed unless imminent

1. **Volunteers without governance support**
2. **The club – condo-isation and the rubber stamp**
3. **The loss-leader report**
4. **The poacher and gamekeeper revenue model**
5. **Professional indemnity as an excuse**

“ Remedial consultant project management fees run at 10 – 11% of contract sum. New building construction project management fees run at approximately 3% of a vastly more complex undertaking. Most strata managers are the unwitting enablers of this arrangement.

— Ross Taylor, Ross Taylor Associates

Department of Planning and Environment

Fact sheet



1. Exempt development, Clause 1.16 Codes SEPP

To be exempt development for the purposes of the Codes SEPP, the works being carried out, *inter alia*:

- (a) *must meet the relevant fire safety requirements (refer to Footnote 1), and*
- (b) *must meet the relevant deemed-to-satisfy provisions of the Building Code of Australia, or if there are no such relevant provisions, must be structurally adequate, and*
- (c) *must not, if it relates to an existing building, cause the building to contravene the Building Code of Australia*

Extract: Remedial building work – State Environmental Planning Policy (Exempt and Complying Development Codes) 2008

1. Denial

'This can't be happening.' Shock and disbelief act as a buffer, giving time to adjust.

2. Anger

'Why is this happening to me.' Pain redirects into anger – at others, oneself, or circumstance.

3. Bargaining

'If only I had....' A search for control through negotiation – with fate, with a higher power, with the past.

4. Depression

'I can't go on.' The full weight of loss sets in – withdrawal, sadness, and deep emotional pain.

5. Acceptance

'I will be okay.' Not happiness, but an acknowledgement that loss is real and life continues.

Stages are not linear – people move between them and may not experience all five.
First described by Elisabeth Kubler-Ross in *On Death and Dying* (1969).

- 1 Know who to call
- 2 Provide a complete brief
- 3 Critique the report
- 4 Maintain the separation of powers
- 5 Temper the lawyers
- 6 Education the owners
- 7 Communicate, communicate, communicate

Fix what needs fixing.

**Not what someone else wants
you to fix.**