



## **The Real Estate Institute of New South Wales Limited**

### **Inquiry into Biotxin-related Illnesses in Australia**

**30 July 2018**

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## Introduction

This Submission has been prepared by The Real Estate Institute of New South Wales Limited (**REINSW**) and is in response to the Inquiry into biotoxin-related illnesses in Australia (**Inquiry**) by the Standing Committee on Health, Aged Care and Sport.

REINSW is the largest professional association of real estate agents and other property professionals in New South Wales. REINSW seeks to promote the interests of its members and the property sector on property-related issues. In doing so, REINSW plays a substantial role in the formation of regulatory policy in New South Wales.

Mould related issues are an ongoing problem that causes considerable anxiety for all parties involved. Given the relevance of this issue in the property industry, REINSW welcomes the Inquiry if its purpose is to regulate the mould industry and to eliminate myths relating to mould and its dangers. However, REINSW queries the true intention of the Inquiry which has not been made known to the public.

Whilst REINSW agrees, in principle, with a push towards regulation of the mould industry, it acknowledges that there is a lot that needs to be done to bring regulation to a satisfactory and effective level. In particular, consumers need proper education on the issue of mould.

REINSW's recommendations are discussed below for the Standing Committee's consideration and adoption.

### ***1. The prevalence and geographic distribution of biotoxin-related illnesses in Australia, particularly related to water-damaged buildings***

Most mould is not dangerous and generally appears as a consequence of aspect, weather, lifestyle and water leaks. It has been brought to REINSW's attention that there is a general unwarranted fear surrounding the identification and presence of mould with little medical or scientific evidence to support such fear. Accordingly, mould related issues are not so prevalent in Australia but rather are the product of fear mongering and existing anxiety amongst tenants, owners, property managers, sales agents and medical professionals, amongst many others. This has undoubtedly created the development of an industry with inexperienced mould inspectors capitalising on the fear factor. This is discussed in more detail below.

REINSW has received expert advice that there is limited evidence suggesting that biotoxin-related illnesses are directly the result of water-damaged buildings. As most mould is not dangerous, it should be considered that illnesses such as Chronic Inflammatory Response Syndrome (**CIRS**) may, in fact, be the result of pre-existing medical conditions. Mould is often an easy scapegoat and is often identified as the cause of diseases, many of which cannot be properly diagnosed or proven to be related to toxic mould. Although REINSW does not possess the expertise to comment

on CIRS itself, it recognises the need to consider acceptable methods of testing for bacteria and toxic mould.

A significant factor when identifying mould as the cause of biotoxin-related illnesses is the testing and identification methodologies used or, rather, a lack thereof. In determining whether the presence of mould is the cause of illness, REINSW proposes that the industry be regulated to the extent that certain methods of testing are approved and verified. For example, issues arise when air tests are conducted commonly near household waste, toilets and other sources of bacteria. The reason is that toxic mould comes from waste and bacteria, and not from rain water, condensation or water leaks. This is based on expert advice that REINSW has received on the issue. Therefore, REINSW recommends that these factors be taken into consideration in approved methods and processes of testing mould.

REINSW encourages the acknowledgement of other causes of mould that do not result from the presence of moisture or water. Mould can be present where there is condensation and a failure to ventilate (rather than moisture from water leaks) and bacteria can form from bad hygiene, not simply because of the presence of condensation or moisture. REINSW also highlights the fact that mould cannot form without the presence of moisture and, whilst there is always moisture in the air, that moisture more often than not has nothing to do with mould - yet a significant number of tenants attempt to terminate their fixed term tenancy agreements based on unfounded claims of the presence of mould. It has also been brought to REINSW's attention that many instances occur where tenants have claimed that they have a respiratory condition which has been exacerbated as a result of living in the premises. However, prior to entering the tenancy agreement, such tenants have had the opportunity to inspect the premises and did not question the agent about any history of mould or the presence of moisture. More often than not, tenants substantiate these claims with a doctor's certificate in which the doctor has stated their opinion that the patient's condition is a result of the presence of mould in the rented premises. That opinion is commonly without any substantiation or evidence. REINSW has been advised that even if mould has been found, the mould is often not toxic and, even if toxic, it is unlikely that the amount of toxic mould would be dangerous.

Points such as the above highlight REINSW's belief that mould and biotoxin-related illnesses are not as prevalent in Australia as one may think. Until proper and effective educational resources are made available to individuals, the myths and overall inherent fear of mould will continue to drive claims that the presence of mould is automatically a threat to human health. This is not dissimilar to fears surrounding methamphetamine contamination in rental properties. Research remains inconclusive as to the actual threat of such contamination on human health yet an industry of "experts" has evolved encouraging and using property testing methods (such as D.I.Y testing kits and installation of methamphetamine detection devices) that are unregulated and unproven.

Such need for education is discussed at length below.

## 7. Any related matters

In addition to the failure to regulate, REINSW acknowledges that a significant area for concern is a lack of educational resources available on the issue. Australia lacks a standardised educational body or organisation providing training and advice on mould inspections, testing and management. The United States and Canada have the national *Professional Mold Inspection Institute (PMII)* which offers training and assessments in both mould inspection and remediation. In some instances, mould experts in Australia have sought their training and qualifications from PMII to equip themselves with skills and knowledge that the Australian industry is not able to provide.

A lack of standardised plans or guides for property managers and strata managers in how to deal with mould further exacerbates the problem. Real estate agents may be left with no choice but to turn to internet search engines for assistance, often being left in the dark with how to proceed once mould has been detected in a property. Property managers may engage so-called “experts” with unsatisfactory levels of experience and expertise who are then unable to adequately assess the mould situation. With inexperienced mould inspectors using unsubstantiated and unverified methods, unsatisfactory test reports may cause a tenant to terminate the tenancy with only 14 days’ notice and move out of a premises in fear of mould. This ultimately costs landlords thousands of dollars in testing, remediation and renovations that may not have even been required in the first place. Other issues arise when these types of “experts” offer free testing and reports, providing shocking and unsubstantiated accounts of toxins and mould in a property. These experts, who are not accountable to anyone, perpetuate the pre-existing fear surrounding mould and its related issues, creating further anxiety amongst tenants, owners and consumers.

With this in mind, a majority of the industry’s experts are forced to base their methods and practices on their past experiences, often left to figure it out on their own using common sense. What this may mean is that mould “experts” are operating within the realm of their own past experiences which may be very different and subordinate to what the ideal standard of methods and practice require.

It has been brought to the attention of REINSW that, given the sensitive nature of mould related issues, the mould industry has seen businesses use tactics based on agitating and instilling fear in consumers. Businesses often provide reports using unsubstantiated methods suggesting that homes are uninhabitable, toxic and pose a danger to human health. Claims such as these are often the consequence of practices and tests that have little to no scientific validation. Situations become escalated, tenants become scared and unnecessary anxiety is experienced as a result of unregulated testing and assessments of mould. REINSW is of the view that when consumers, NSW Civil and Administrative Tribunal (**NCAT**) and other professionals (including, without limitation, real estate agents and medical practitioners) are equipped with the required knowledge, then the unnecessary time, funds and energy wasted on mould related issues can be significantly minimised.

REINSW is of the opinion that education and regulation must be extended to all key stakeholders in the industry – it is not only for property managers and industry “experts”. Education plays a vital role in instances of medical diagnosis of biotoxin-

related illnesses, the outcome of NCAT decisions and even the very practices of businesses within the industry. In light of the above, REINSW strongly recommends that the Standing Committee defines acceptable and requisite standards, qualifications and training and ensures that all practitioners within the industry meet these requirements. REINSW also proposes that those who do not meet these requirements should not be able to provide advice in relation to mould, its identification, removal and management.

## **Conclusion**

Having regard to the main issues raised in this Submission, REINSW recommends that a scientific study be conducted or reliance be placed on a study from overseas which provides evidence on whether mould is dangerous to human health and, if so, at what level of toxicity it would be dangerous. The study would also need to cover the types of methods used to test the presence and toxicity of mould as such tests need to be scientifically proven. REINSW believes that before the Government starts solving problems, it should determine whether there is an actual problem to solve.

Bearing in mind that prevention is often better than a cure, the industry for mould and biotoxin-related illnesses requires significant regulation to ensure that mould issues are examined by appropriately qualified professionals and managed in an acceptable, standardised manner. In removing a focus on 'who's to blame' and moving towards effective prevention measures, regulation and education, mould related issues and illnesses can quickly become manageable and under control.

REINSW appreciates the opportunity to provide this Submission and would be pleased to discuss it further, if required.

Yours faithfully

Tim McKibbin  
**Chief Executive Officer**