

Thursday July 18, 2019

## Insurers welcome national approach to reforming building sector

*Statement attributable to Rob Whelan, CEO, Insurance Council of Australia:*

Today's agreement between the states and territories on implementing nationally consistent building standards is a step in the right direction, but action is now urgently required to restore confidence in the building and construction sector.

I am pleased the Insurance Council was provided the opportunity to discuss its concerns at today's industry roundtable at the Building Ministers Forum. The ministers were aligned in seeking a positive outcome. Nonetheless the blame game has to end, and governments must now prioritise the enactment of this national approach.

Insurers are pleased the Australian Building Codes Board will play the key role in overseeing implementation of the 24 recommendations of the Shergold-Weir report.

However, the ICA believes the insurance industry must have a formal role, including permanent representation on the ABCB, to ensure insurance perspectives are heard.

The ICA would like to see:

- Urgent design and implementation of a nationally consistent audit and risk assessment regime to enable an accurate register of at-risk buildings to be developed
- Introduction of nationally consistent ratings, so that the risk rankings of buildings means the same in each jurisdiction
- Design and implementation of a national cladding and Non-Conforming Building Products rectification program using consistent standards and approach

Though today's agreement is generally positive, insurers remain concerned any delays in implementing the Shergold-Weir recommendations and action being taken by the ABCB will further undermine public and industry confidence in the construction sector. The ICA is willing to engage with governments and regulatory authorities to ensure the restoration of confidence and stability in the construction industry is achieved as soon as possible.

The current compliance regimes are failing to deliver results and certainty for consumers and insurers. Insurers accept they have a key role to play in the risk management process, but the acceptance of risk will depend on appropriate action by the building industry, governments and regulators.

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