

Building Stronger Homes Roundtable 3 Communique

20 April 2021

The third meeting of the Building Stronger Homes Roundtable took place in Sydney on Tuesday 20 April 2021.

The Roundtable was convened by the Insurance Council of Australia and Master Builders Australia. The Building Stronger Homes Roundtable consists of representatives of the building and insurance industries from across Australia. The Roundtable was also attended by representatives of the property, banking, real estate and architect industries, along with representatives from state and federal government agencies.

Yesterday's Roundtable focused on making new homes more resilient, including looking at the role of building codes and standards, along with land use planning. The forum provided speakers and participants with an opportunity to workshop practical options to support government reform efforts. Major items discussed by participants yesterday included:

Getting it right the first time: how the insurance and building industries can work together to build more resilient homes

Natalie King, CEO, Sherridon Homes and Mark Leplastrier, Executive Manager, Natural Peril, IAG presented the outcomes of the Building Stronger Homes Roundtable Advisory Group. The Group, which consists of senior representatives of the building and insurance industry, along with James Cook University, was convened ahead of the Roundtable to examine the challenges faced by both industries in making new homes more resilient.

Natalie and Mark emphasised the importance of adding resilience to the National Construction Code, discussed the need to consider affordability (both in relation to building costs and insurance premiums) and outlined how insurance companies can potentially recognise private investments in resilience. The Advisory Group recommended reforms to the way information is shared across industries and government, and the need for a systemic national approach to recognising upgrades to new buildings that improve the resilience of the home.

Ministerial Address: Building Reforms in NSW

The Hon. Kevin Anderson, the NSW Minister for Better Regulation and Innovation provided the Roundtable with an update on the work the NSW Government is undertaking to reform building regulations. The Minister outlined how NSW is working to implement the *Building Confidence Report* and said the Government is focused on building it right, rather than building it again and outlined the work already underway in relation to Class II buildings. He spoke of the importance of putting the customer first and giving them confidence the building they purchase is built to construction codes. He described the new inspection and professional

standard schemes underway to support these compliance efforts and rebuild confidence in the industry.

Reforming Building Codes and Standards

Neil Savery, CEO, Australian Building Codes Board and Alison Scotland, Senior Stakeholder Engagement Manager, Standards Australia discussed the work underway to reform national codes and standards. The speakers discussed the implementation of the *Building Confidence Report*, the recommendation of the Royal Commission into National Natural Disaster Arrangements to include resilience in the Building Code and how both organisations consult with the building and insurance sectors. In relation to resilience, they said many countries are grappling with this issue and there is work being undertaken at CANZUS to share information on natural hazards and extreme weather events to further reform in this area.

Land Use Planning

Felicity Greenway, Executive Director, State Policy and Strategic Advice, NSW Department of Planning, Industry and the Environment spoke to the Roundtable about planning reforms in New South Wales. She gave an update on recent changes to the system such as increased digitisation, how planning systems can play a role in stopping building in high risk areas, the need for stakeholder communication around reforms and the challenge of ensuring communities are aware of the risks that impact them.

Priorities and initiatives: a collaborative plan for reform

The roundtable participants identified that including resilience in the Building Code was a key reform and should be progressed by the Federal Government as a priority. As part of this reform program, Master Builders Australia and the Insurance Council of Australia believe both the Australian Building Code Board and Standards Australia should develop formal consultation mechanisms to engage the building and insurance industries early in the policy development process. Both organisations should identify opportunities to leverage the data holdings and on the ground experience of both industries in the wake of natural disasters.

In response to these discussions, the Insurance Council of Australia and Master Builders Australia are again calling on the Federal Government to establish an Advisory Committee to improve baseline risk data and information resources to guide future development of Code and Standards reforms. The establishment of this Committee was a recommendation of the second Roundtable.

In addition to this, the Insurance Council of Australia and Master Builders Australia committed to:

- The two industries preparing a joint scoping paper for the federal government on a rating system to measure the level of resilience of a new building and facilitate insurers taking investments in resilience into account when setting premiums.
- The two industries working together to develop a method to better assess the life cycle costs of resilience to ensure homes remain affordable and are durable in the long term.

The Insurance Council of Australia and Master Builders Australia call on government to:

- Establish an Industry Advisory Committee to support the work of Climate and Resilience Services Australia. Better mechanisms need to be established by government to engage industry in the development and implementation of disaster

resilience work that brings together and guides the work of CSIRO, the Australian Building Codes Board and Standards Australia.

- The insurance industry should be represented on both the Australian Building Codes Board (and Committees of the Board) and on the Australian Standards Council (and Standards Committees) to improve information sharing and consultation on future reforms.
- Both State and Federal Governments should look at opportunities to incentivise resilience investments (above code) for new builds in areas of high-risk.

The final Building Stronger Homes Roundtable will be held in Canberra in June 2021.

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