



Building Stronger Homes Roundtable 2 Communiqué

17 February 2021

The second meeting of the Building Stronger Homes Roundtable took place in Canberra on Wednesday 17 February 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 and agencies.

Yesterday's Roundtable focused on making existing homes more resilient and provided stakeholders with an opportunity to workshop practical options to support government reform efforts. Major items discussed by participants today included:

Financial Impact of Natural Disasters

Lisa Harrison, CEO, Insurance Product and Portfolio, Suncorp Group; Fiona Guthrie, CEO, Financial Counsellors Australia; and Luke Hueston, CEO, Master Builders Insurance Brokers provided insights into the financial impacts of natural disasters on households and the particular challenges of making existing homes more resilient.

The session covered the potential for insurance premiums to be reduced following both public and private investments in mitigation and heard that well-evidenced resilience efforts can be affordable and effective. Panellists discussed the need to equip communities with better risk information in a form that was easy to understand.

Lessons from Existing Resilience Programs

Jimmy Scott, General Manager, Resilience, Queensland Reconstruction Authority; Justin Leonard, Research Leader – Bushfire Adaptation, CSIRO; and Robert Pradolin, Founder and Board Member, Housing All Australians, discussed the successful features of past resilience programs from across the country.

The speakers identified that the recovery period in the wake of a natural disaster provides an opportunity to improve resilience and rebuild better. They spoke of the need to make homeowners aware of benefits that can flow in terms of reduced loss and premiums and the need to increase awareness and accessibility of guidelines around resilience. The discussion also covered the need for centralised risk information to better inform decisions, with speakers commenting that while a willingness for government to invest in resilience is important, this investment needs to be underpinned by evidence.

Ministerial Address

The Hon. Michael Sukkar, Assistant Treasurer and Minister for Housing then addressed the forum. The Minister said the Government has accepted most of the recommendations of the Royal Commission into National Natural Disaster Arrangements and the Federal Government's new resilience agency will work to implement these. He spoke of the challenge of making existing homes more resilient, noting that more than 7 million Australian homes are more than 20 years old and many of them are in high-risk areas. He acknowledged that there is a role for both public and private mitigation and that robust data and evidence is required to underpin this work. Finally, the Minister acknowledged the work of the two industries in bringing a collaborative forum of relevant stakeholders together for meaningful discussion to identify options that benefit consumers.

Priorities and initiatives: a collaborative plan for reform

The roundtable participants identified that having central data points would be critical to informing evidence-based resilience programs in the future. This would involve multiple sectors contributing information, including risk data, to a central repository, that could inform government investment and co-contributions in resilience schemes, including informing cost benefit analyses. Participants also identified the need to raise community awareness around risk and resilience and acknowledged that multiple consumer-facing sectors, including building, insurance and real estate, along with governments, can jointly play a role in developing and distributing this information.

In response to these discussions, the Insurance Council of Australia and Master Builders Australia are 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 Committee should be comprised of government, industry & consumer stakeholders. The composition of the Advisory Committee would be an extension of MBA-ICA Roundtable members and work that includes insurance, construction industry, banking and consumer representatives.

This Committee would develop the following:

- Risk methodology for interpreting disaster risk with a focus on bushfire, flood, cyclone-wind and coastal erosion.
- A central data repository that integrates data sources (government & industry) and informs risk methodologies.
- Cost benefit analysis of different types of disaster and construction method by region and social impact on communities.
- Awareness raising tools for industry and consumers on appropriate use of guidance, codes, standards, products and services.
- Guidance resources for consumers and builders on how to retrofit your home for each disaster type and region.
- Guidance resources for consumers and builders on how to build a new home for each disaster type and region.

The third Building Stronger Homes Roundtable will be held in Sydney in April 2021.