
'Nobody knows what's going on' ahead of Building Ministers' Forum

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Building certifiers and insurers want the country's building ministers to this week move closer to resolving a crisis that has left professionals without coverage and consumers exposed to combustible cladding-related defects six months after policymakers last met.

[State governments in July began allowing professionals](#) such as building certifiers and surveyors to practise with cladding-related exclusions on their professional indemnity policies, as insurers would no longer cover the risk.

While this has allowed building activity to continue – certifiers are needed throughout the life of projects to tick off successive stages of work – there are no signs yet of a permanent fix that would bring insurers back and take all cladding-related costs off apartment owners' shoulders.

"Cladding-related exclusions – that's become the norm, but insurers are still not at the table," certifier David Blackett said.

"We still don't have anyone at the table to talk to about policy opportunities. What's the government done about it? Either nothing, or a lot very quietly. Nobody knows what's going on."

Insurance cover for liability for historical buildings is a tricky issue. At their last meeting in July, building ministers agreed on a number of steps, including beefing up the Australian Building Codes Board to co-ordinate steps to take much-needed reforms.



Nobody knows what's going on to resolve the insurance crisis in construction, says building certifier David Blackett. **Dominic Lorrimer**

The agenda for Friday's Building Ministers' Forum shows ministers will be getting an update on that score.

But managing the cladding risks of previously built buildings, which are gradually being uncovered by audit processes under way in most states and territories, is harder.

Queensland and NSW representatives tasked in July with investigating a long-term resolution will report their progress to counterparts at the Canberra meeting.

There may not be much to report.

"The underlying risk of buildings with combustible cladding or non-conforming building products hasn't changed since the last BMF meeting in July, therefore nothing has changed in terms of PI insurance exclusions or premiums," said Karl Sullivan, the Insurance Council of Australia's head of risk and operations.



Cladding - a growing problem. **Eddie Jim**

"This situation is likely to remain until insurers can be confident that they have accurate information on the extent of their potential exposure, as well as confidence in a national approach to remediating buildings affected."

Insurance is far from the only issue ministers have to deal with. A raft of crucial reforms spelt out in the government's own blueprint – the *Building Confidence* report by academic Peter Shergold and lawyer Bronwyn Weir – are necessary.

In October, the [government set out a timeline](#) for these reforms, but the recent experience of NSW shows these can be hard to achieve.

Last month, the government's Design and Building Practitioners Bill 2019, which would have required mandatory registration of engineers and required builders to sign off their completed projects, failed to pass the state's upper house on opposition from Labor and the Greens.

In the meantime, the insurance crisis is spreading and other professionals are calling for the same exclusions as building certifiers.

"We can hardly get insurance," said Sahil Bhasin, the national director of building engineering consultancy Roscon.

"They just say: 'The act hasn't been changed for engineers, only for surveyors and fire engineers.'

"That's a massive problem. This whole industry in a year is going to stop if they don't extend the exclusions to engineers as well."