

OPINION

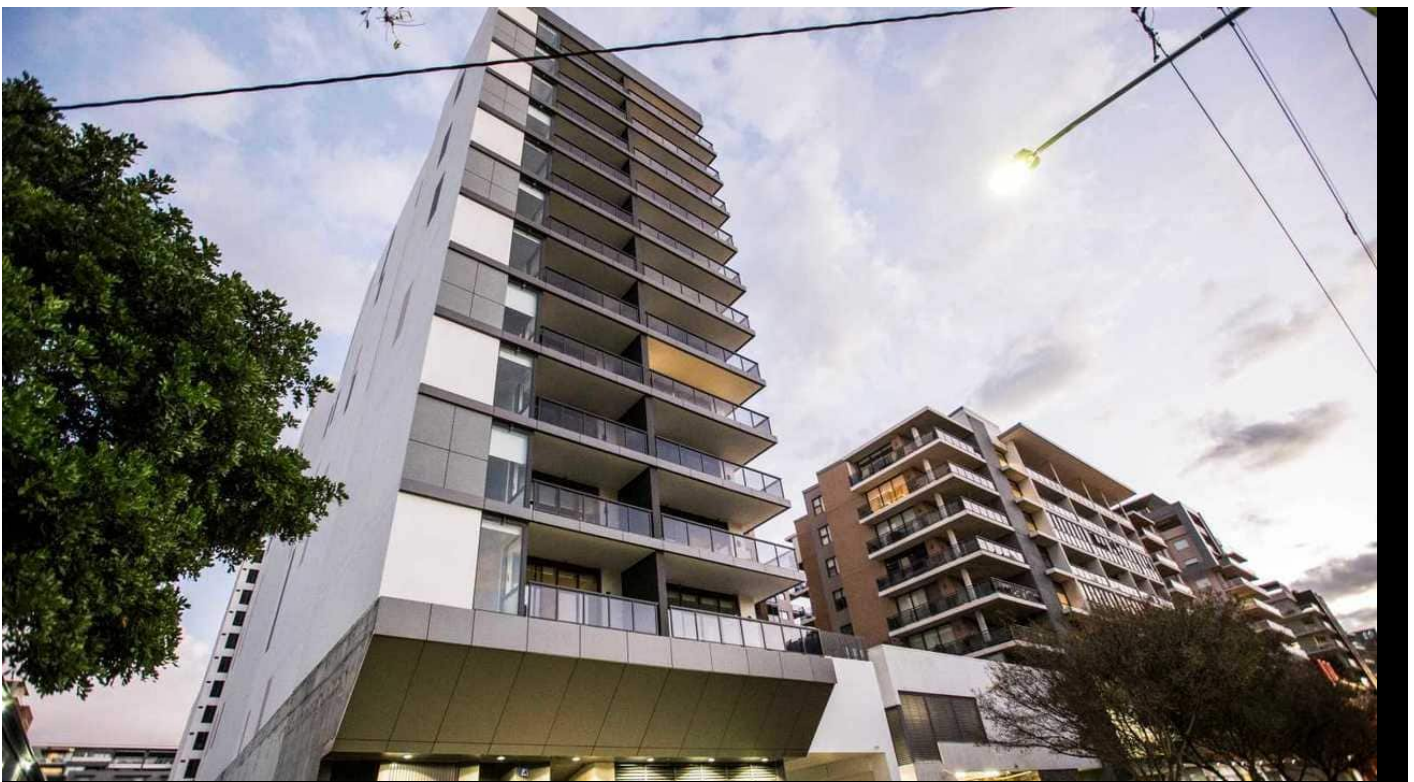
State's \$35 billion construction industry on brink of collapse

Within days, Queensland's \$35 billion construction industry could grind to a halt and, outside a small but critical group of people, no-one is even talking about it, writes LNP MP Andrew Wallace.

Andrew Wallace, The Courier-Mail

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'Better registration' needed in the construction sector

WITHIN days Queensland's \$35 billion [construction industry could grind to a halt](#) and, outside a small but critical group of private building certifiers, no-one is even talking about it.

Unless the State Government acts before June 30, builders will stop getting paid, buildings will stop being built, and already vulnerable subcontractors will go to the wall.



Queensland's \$35 billion construction industry could grind to a halt.

Here's why. Every construction project built in Queensland must, by law, be signed off by a building certifier, often as they meet certain milestones. Without certification, owners cannot occupy their buildings, and builders, their subcontractors and suppliers cannot be paid.

Most of these assessments are completed by a private, licenced building certifier.

Under the Queensland Building and Construction Commission legislation, to acquire and renew their licences, private certifiers must have a professional indemnity (PI) insurance policy without exclusions.

However, the discovery that a small number of mostly high-rise buildings in Australia were constructed using the same flammable cladding that was a major factor in the UK's Grenfell Tower fire has thrown this system into disarray.



Debris hangs from the blackened exterior of Grenfell Tower on June 15, 2017 in London, England.

[Unwilling to take the risk of liability for a disaster like Grenfell, insurers have, one by one, refused to offer any more no-exclusion PI insurance policies.](#) The few that have remained have raised premiums by as much as 500 per cent, leaving many certifiers facing financial collapse. Today there is just one insurer left in the market and they have announced that from 2 July, 2019, they too will withdraw.

From that day we will begin to lose more private certifiers. Eighty are up for renewal by the end of June. A further 180 will be gone by the end of July. Within a year there will be none. Few local councils in Queensland still offer certification, and those that do will be overwhelmed with work. The cranes will stop moving. Small subcontractors will begin to fail in growing numbers.

In reality, most private certifiers do not even have the equipment to determine whether cladding complies with the required specification. The majority of certifiers work exclusively on houses, extensions or sheds where combustible cladding is not used. For most, an exemption to their insurance for cladding would make no difference to their work but, at present, it would invalidate their licence.

The Queensland Government could have avoided this threat, which they have known about for more than a year, by allowing building certifiers' insurance to include exemptions for building cladding and non-compliant building materials.

South Australia and Western Australia have already introduced these exemptions. New South Wales and Victoria are considering them. Yet just last week Minister Mick de Brenni told us proudly that his urgent response to this now impending disaster has been to commission a last-minute report from PricewaterhouseCoopers.

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Queensland Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport, Mick de Brenni.

Given that the Minister has had my own Queensland Government-commissioned report into building certification since 2014 and has done absolutely nothing to act upon it, it is clear this response will get us nowhere.

The Palaszczuk Government must act today — before the building industry is stopped dead in its tracks. They must amend the regulations to allow the insurance exemptions the sector needs now. This will resolve the issue for the bulk of private certifiers while the Government can work toward more long-term solutions for those it does not.

Andrew Wallace is the LNP member for Fisher



Member for Fisher Andrew Wallace with Prime Minister Scott Morrison. Picture: Lachie Millard