

## QLD BUSINESS

# Cladding insurance issue sends building certifiers to the brink

**A senior State Government minister has given a dire warning about Queensland's construction sector if building certifiers cannot obtain this necessary insurance to do their jobs.**

Glen Norris, The Courier-Mail

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QUEENSLAND'S \$50 billion construction industry could come to a standstill if a public indemnity insurance crisis sparked by the combustible cladding issue was not resolved.

The warning comes from Housing and Public Works Minister Mick De Brenni who said the state's 400 private building certifiers [were finding it increasingly difficult](#) to obtain the necessary public indemnity insurance to sign off on building obtaining cladding.

“If there is not certainty soon buildings will not be occupied and construction will come to a standstill,” Mr De Brenni said. “We are in danger of seeing an entire profession (certifiers) wiped out.”

He said a national response was needed to the crisis with the last insurer offering exclusion free insurance not accepting policies after July 2. Insurers were not prepared to insure against the risk of a fire where cladding was present.

Flammable cladding was blamed for the 2017 Grenfell tower disaster in west London and has been linked to high-rise fires in Australia.



The fire damaged Lacrosse apartment building in Melbourne. Picture: Steve Tanner

Certifiers, whose job is to ensure building work complies with regulations and codes, must have professional indemnity insurance before the Queensland Building and Construction Commission (QBCC) issues them with a licence.

Mr De Brenni noted that a landmark decision by the Victoria Civil and Administrative Tribunal (VCAT) this year into liability for the Lacrosse building fire in Melbourne where cladding was present had apportioned most of the blame on the building certifier.


He said that while Queensland did not have a large problem with combustible cladding, insurance companies it was paying the price for a wider national problem. A survey found there were 17 privately-owned buildings in Queensland where a fire engineer had indicated cladding was present.

He said the problem now facing certifiers reflected a race to the bottom by the building industry over the past few decades.

“There has been a relentless pursuit of profit by developers and builders that has resulted in the position we are at today,” said Mr De Brenni.

He said the NSW Government had put the safety of its citizens at risk by stopping assessments of cladding on buildings.

“We don’t think that’s a good idea,” said Mr De Brenni. “The insurance issue we’re seeing here is part of the bigger combustible cladding problem that has stemmed from decades of deregulation in the building and construction industry. It’s clear that the cladding crisis needs a national response when the insurance market is saying an entire profession is uninsurable.”

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