



21 August 2020

Australian Building Codes Board

Discussion Paper: National Registration Framework for Building Practitioners

IG's purpose is to "make your world a safer place". We recognise that our role extends beyond transferring risk and paying claims. Our purpose drives our business to work collaboratively with communities to understand, reduce and avoid risk, and to build resilience and preparedness. This results in better outcomes for the community and means fewer claims and lower costs for our customers. We work collaboratively with government, industry bodies and Australian and international organisations on a range of issues that relate to our customers, our people and the community including the safety and regulation of the building and construction industry.

We commend the creation of a Draft National Registration Framework for Building Practitioners and agree that if adopted and implemented appropriately this would improve consistency in the registration of building practitioners and be a step towards improving public confidence in the industry.

However, we have the following comments for the Australian Building Codes Board (ABCB) to consider when finalising this framework.

Sub-contracting - Using subcontracting is common practice in the building and construction industry. Although this is a common and effective practice when done well. It does form a complicated chain of contracts and liability whereby each subcontractor is only liable to the contractor who hired them and the specifications of that contract.

This framework does not require registration of sub-contractors. Although the Building Confidence Report (BCR) did outline the rationale for this

"We have not made recommendations for a nationally consistent approach to registration of trade contractors as this is likely to impose a significant regulatory burden on the building and construction industry and on regulators nationally, particularly in smaller jurisdictions. We have been unable to conclude with certainty that such a burden would be warranted."

Although we cannot answer the cost benefit of registering and regulating sub-contractors, we believe the network of contracts involved in subcontracting is actually one of the root causes of quality and liability issues in the industry. Not including subcontractors in this framework will allow work to continue on site by workers that may not have the necessary qualifications and training or supervision appropriate to their skills and the task(s) required. We believe regulating sub-contractor qualifications is key to improving confidence and transparency in the building and construction industry.

Insurance and financial viability requirements are not included in this framework. The discussion paper outlines this will be considered in a separate body of work by States and Territories as part of the National Registration Framework (NRF) implementation. However, we believe holding appropriate insurance should be a key requirement for registration of a

practitioner and this should be captured at the time of registration. We acknowledge there are broader issues with the availability of insurance products in this industry and agree with the comments in the BCR that “...is acknowledged that insurance is not currently available for the range of practitioners proposed to be registered. This weakness needs to be addressed. There should be ongoing discussion between governments and the insurance industry to ensure that the best possible insurance is available to all categories of registered practitioner.”

But if the goal is to improve quality and public confidence in the industry then the public need to be assured that practitioners are covered by appropriate insurance, when available.

Implementation - compliance, audits and enforcement of penalties

We acknowledge this piece of work may be next to be completed or need to be completed by each regulatory body. Implementing this framework, monitoring compliance, auditing and enforcing these penalties are a major part of the success of this framework. Additionally, there needs to be a mechanism for complaints and processes for putting registrations on hold while these complaints are investigated

We believe the best way to ensure this is done effectively would be to create a national agency that can register professionals, manage complaints, investigate and enforce breaches. If this outcome is not possible, then all States should work towards a harmonised approach to compliance and the bodies tasked with regulating and enforcing compliance will require significant resourcing to complete the task.

Ongoing training – The framework should also consider including requirements for continuous professional development (CPD) and training. Many other professionals have CPD point requirement to be eligible for registration. The building and construction industry should be no different. Continuous training allows practitioners to stay informed of current regulations, requirement and practices in their field of expertise. Like in many other industries the relevant body for each practitioner could offer a range of courses or workshops for practitioner to attend to accrue these points.

We believe the minimum levels of experience identified in the framework are on the low side, particularly for some complex responsibilities. The requirement for CPD could improve the overall qualifications of the practitioner.

Language skills and overseas qualifications – The discussion paper does not outline a process or requirement for English language skills. This may not be required in all practitioners, but we believe consideration should be given to creating a minimum language standard for each discipline as serious safety breaches could occur if a level of comprehension required is assumed rather than proven.

The framework should also consider adding a standard or process for those who completed training overseas to have equivalent qualifications recognised, such as the Washington Accord used for Engineering Qualification recognition.

In answer to your specific questions:

1. Does the proposed NRF deliver an appropriate and proportionate response to BCR Recommendations 1 and 2?

Recommendation 2 in the BCR specifies “where it is available, compulsory insurance in the form of professional indemnity and/or warranty insurance together with financial viability requirements where appropriate” As outlined above we agree and recommend this be considered and captured at the time of registration. If there is no insurance or none available this should be displayed on the registration of the practitioner. Doing so promotes transparency and trust from the public.

2. Will the NRF, if implemented, enhance confidence in the building industry by ensuring that key practitioners in the building process are registered?

Yes, we believe this is a step towards improving confidence. However, as highlighted above there are other risks that have not been addressed (i.e. subcontracting, implementation, compliance, training and language skills) that threaten to erode this confidence. If these risks are not addressed, we don't believe the framework will have the desired effect.

3. Do you foresee any risks in implementing this proposal, noting that the states and territories are responsible for implementation of the NRF?

Yes, we have outlined these risks above.

If implemented differently in each State this will add to the confusion and complexity about what is required from a practitioner. This will also be difficult for companies that work across jurisdictions.

If no national guidelines are given on complaints process, enforcement, penalties, deregistration etc then each state may set different protocols and penalties. This could lead to risk pooling in one State that is laxer than another, practitioners not understanding their different requirements in each State and practitioners crossing borders if deregistered in one state to practice in another.

As outlined, we believe the best approach to mitigate this risk would be to create a national agency that can register professionals, manage complaints, investigate and enforce breaches.

4. Do you think the proposed NRF will improve compliance with the NCC?

It is a step towards improving compliance, but improved compliance cannot be achieved by this step alone. It needs to be done in conjunction with other recommendations from the BCR.

5. The ABCB is specifically interested in your comments on the registration levels for building surveyors. Do you agree with the criteria used to distinguish between with the two levels of registration for building surveyors and does it adequately accommodate the different levels of risk?

Two levels for building surveyors

Level 1 - All NCC Classes

Level 2 - NCC Class 1 and 10 buildings of any size, and NCC Class 2 to 9 building no greater than 3 storeys in height and 2,000m² in area

We agree there needs to be levels of registration for surveyors. However, we are not confident that the two levels as split in this draft framework is the right approach. A more comprehensive approach could be to align the levels with the new complex building definitions. Consultation is out on these definitions until November 2020.

If you have any questions or require any further information, please do not hesitate to contact Naomi Graham, Principal, Public Policy & Industry Affairs on 0411 238 602 or at naomi.graham@iag.com.au

Yours sincerely



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