



## **MEDIA RELEASE**

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### **CERTIFIERS WARN OF SIGNIFICANT GROWING RISK TO NSW CONSTRUCTION INDUSTRY OVER INSURANCE VOID**

**Accredited certifiers are warning of significant and growing risks to the NSW construction industry if Professional Indemnity (PI) insurance policies cannot be secured.**

The warning comes as insurance brokers, Bovill Risk and Insurance Consultants have advised that a major insurer of hundreds of certifying firms would no longer be offering PI insurance policies free of exclusions in relation to combustible cladding.

For accredited certifiers to maintain their registration, the law in NSW states that they must hold PI insurance policies free of exclusions.

Association of Accredited Certifiers (AAC) CEO, Jill Brookfield said the construction industry will grind to a halt if the problem is not addressed.

“Insurers are now shying away from offering insurance cover for cladding to accredited certifiers and fire engineers,” Ms Brookfield said.

“If accredited certifiers cannot get insurance, they will be unable to maintain their accreditation and projects will not be able to get a building approval, which will result in the industry grinding to a halt.

“The overwhelming majority of homes and buildings constructed in NSW use accredited certifiers in the private sector.

**“The industry is facing a crisis and this needs to be addressed as a matter of urgency – this is not just an issue which will impact accredited certifiers but one that will impact the entire industry.”**

The AAC is urging the NSW Government to act decisively and work to encourage more insurers into the market.

“We have been highlighting this issue with the NSW Government for two years – this issue cannot wait any longer to be addressed,” Ms Brookfield said.

“To date, the Building Ministers Forum (BFM), has not done enough to address this issue – urgent action from government is needed. The industry, builders and owners can’t wait for a national solution.

**“The Building Professionals Board must articulate a plan for the likely eventuality that compliant insurance will shortly not be available for any construction professionals, including accredited certifiers.”**

The AAC recently released an eight-point plan to improve accountability in the construction sector in NSW, which includes:

- All professionals involved in the design, installation and approvals process must be accredited and insured.
- All key personnel in the process who are not accredited must be licensed and be required to prove their competency at regular intervals.
- All documents related to the certification of a building should be in a standard form developed by industry and Government.
- All persons involved in the certification of any engineering design or technical aspect of construction must issue a certificate on a standard form.
- Comprehensive auditing of all accredited or licensed persons.
- All parties involved in the building product supply chain need to be accountable for the products they prescribe, specify, purchase and use.
- Amend the BASIX scheme to allow applicants to design buildings based on predetermined standards.
- Strengthen the administration of building regulation in NSW by bringing building regulations and control functions into one portfolio, reporting to one Minister.

To find out more about the role of Accredited Certifiers and AAC, visit:

[www.accreditedcertifiers.com.au](http://www.accreditedcertifiers.com.au)

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