

27 March 2020

Hon Kevin Anderson MP  
Minister for Better Regulation and Innovation  
Member for Tamworth  
GPO Box 5341  
SYDNEY NSW 2001

Via email: [Office@Anderson.minister.nsw.gov.au](mailto:Office@Anderson.minister.nsw.gov.au)

Dear Minister

**RE: Impact of state-wide lockdown on the NSW construction industry**

In response to the increasing likelihood of a lockdown of NSW in response to the COVID-19 pandemic, the Association of Accredited Certifiers is seeking clarity on the impact of any such action on the broader construction industry.

The Association stands as always, ready to work with government and the industry to resolve the issues.

This letter follows and builds on our correspondence to you on 25 March 2020.

As you can appreciate a secure and sustainable construction industry is essential to the ongoing strength of the NSW economy and in ensuring confidence in the banking and insurance sectors.

Therefore, this letter outlines a range of immediate and longer-term issues that will need to be considered and resolved before any state-wide lockdown can be implemented.

I stress this is not just of interest to Accredited Certifiers who have regulatory obligations to fulfil, but to the broader construction industry and ultimately the NSW community today and for any future recovery.

I can also reassure you that Accredited Certifiers are complying with the directions and regulations of state and federal governments to limit the impact of COVID-19. The health and wellbeing of our people is a priority.

**Issuing of partial Occupancy Certificates for residential projects**

The most urgent issue that will arise in the event of a state-wide lockdown on the construction industry will be whether Occupancy Certificates (OCs) can be issued to members of the public who will need to move into their homes.

With the NSW Government advising the public to stay home, it is crucial that families throughout the state have a home to stay in.

Therefore, it would be prudent for partial OCs to be issued to ensure people can move into their homes as quickly as possible and are not left in limbo. This emergency response should be time limited for any lockdown period.

Obviously, partial OCs should only be issued if there is no health and safety risk to moving into the property.

To ensure cashflow through the entire industry, banks should be encouraged to finalise on the issuing of the partial OC.

### **Construction supply chains**

A significant and lagging issue will be the impact of the pandemic on construction supply chains. Construction work and regulatory obligations can potentially be managed with appropriate interim changes, but only with a stable construction supply chain.

### **Inspections and insurance requirements**

As canvassed in our previous correspondence, two central issues for Accredited Certifiers will be the status of regulatory obligations, like mandatory inspections and professional indemnity insurance requirements.

It is requested that Government provides guidance on the possibility that some Accredited Certifiers will be unable to secure professional indemnity insurance (PII) cover over the coming period. There are many Accredited Certifiers who will need cover within the next few months and it is uncertain whether insurance will be available, and affordable, due to the overstressing of the whole insurance industry.

The Association will continue to ensure that the Department of Fair Trading and you are informed on the state of the market and the supply, or not, of suitable insurance for Accredited Certifiers as and when their insurance falls due.

It is also requested that Government provides guidance on the potential impact of COVID-19 on Accredited Certifiers' obligations to conduct inspections. Interim approaches could be put in place to ensure these obligations are fulfilled during the crisis.

### **Impact of council lockdowns**

With some local councils going into lockdown, there is an obvious impact on these councils' ability to register certificates. Accredited Certifiers must provide councils with documentation within the required 48-hour timeframe, but if councils are not operating as usual this will have a flow-on impact on owners who may need to move into their house as a matter of urgency.

### **Industry roundtable**

Finally, the construction industry can play a vitally important role in assisting the economy get through this period, but for that to happen the NSW Government needs to communicate clearly with the industry on these matters.

It therefore would be prudent for the NSW Government to convene a virtual construction industry roundtable to discuss these issues as a matter of urgency.

As the situation continues to evolve at a rapid rate, it would be greatly appreciated by the Association and our Members if these matters could be addressed as a matter of urgency.

These are issues that do not just impact Accredited Certifiers, but the broader construction industry and the NSW community.

As this issue is of significant importance to the daily operations of industry practitioners, I have provided a copy of this letter to the NSW Building Commissioner, Mr David Chandler OAM.

If you would like to discuss this further, please do not hesitate to contact me on 0431 082 259.

Yours sincerely



Jill Brookfield  
Chief Executive Officer

cc David Chandler OAM, NSW Building Commissioner