



13th September 2021

**Consultation paper on HBC construction type definitions
Consultation under s.103ED of the Home Building Act 1989**

To Whom It May Concern,

In response to the State Insurance Regulatory Authority (SIRA) consultation paper on HBC construction type definitions, Master Builders Association New South Wales (MBA NSW) are pleased to provide our response to the paper.

SIRA's consultation paper is specific in seeking feedback on how it defines the type of construction work against which HBC insurance is priced. Accordingly, MBA NSW has confined its responses to address only those questions posed by the consultation paper.

Question 1:

Do you agree with excluding land title from premium price setting? Please indicate your reasons.

Answer 1:

MBA NSW in principle, is supportive of the proposal to remove references to land title from the construction category definitions and of the removal of the 'other' category of work.

Question 2.

Which of the options outlined in this paper do you prefer and why?

Answer 2:

Following consultation with our member base, MBA NSW supports option 2B, in as much as construction categories are to be in line with the National Construction Code (NCC). This presents a consistent approach for the Building and Construction Industry (BCI) in project classification and provides for future scope and identification of risk factors relating to specific Builders and Construction entities. Additionally, this option provides clarity and confidence in product selection for customers.

Question 3.

If iCare were required to define its own construction categories for premium purposes, when and how should industry be notified or consulted about proposed future amendments?

Answer 3:

If iCare were responsible for defining its own construction categories for premium purposes, the process should be as transparent and consultative as possible with sufficient lead time for the BCI to positively participate and a reasonable migration period (agreed with industry) to adapt to the proposed changes.

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Question 4:

If you prefer Option 2A or 2B, are the categories appropriate? If not, what changes do you recommend and why?

Answer 4:

As the categories align with the NCC, Master Builders Association of NSW finds them appropriate with the comment that item C05 should further define pools as independent of a class 2 building or structure. I.E. A pool at ground level, as opposed to a pool on a roof top, basement, or on any other level.

Question 5.

If you prefer a different option to the ones outlined in this consultation paper, please explain your preferred approach and the reasons.

Answer 5:

To meet the object stated in point 2 of the consultation paper, 'provide lower premiums for lower risk project and higher for higher risk project', consideration needs to be given to the project site conditions and those undertaking the work and that of site constraints and project type.

Overall, changes made to the current construction categories need a structured timeline and sufficient notice period to allow time to inform and educate the various interested parties who are going to be affected. Notwithstanding, any opportunity for further alignment with the NCC categories, will aid this process.

Should you have any queries in relation to this submission, please do not hesitate to contact me in the first instance.

Yours sincerely

Certified Management Systems Specialist,
Executive Officer Technical, Safety & Risk