

Our Reference Out-34907

16 August 2022

Endorsed by LGNSW Board  
in Sept 2022

Home Building Compensation Reform consultation  
State Insurance Regulatory Authority  
Locked Bag 2906  
LISAROW NSW 2252

By email: HBCreform@sira.nsw.gov.au

**Home Building Compensation Reform Discussion Paper (July/August 2022), State Insurance Regulatory Authority (SIRA)**

Thank you for the opportunity to provide comment on SIRA's discussion paper currently open for consultation on how the home building compensation scheme is regulated and operated.

This is a draft submission and is subject to review and approval of the LGNSW Board. Any changes will be advised at the earliest opportunity.

As the peak body representing local government in NSW, Local Government NSW (LGNSW) is specifically supportive of **Reform Idea 10 – Insurance exemptions for local government**. As State public sector agencies are already exempt and can opt-out of insurance, it is logical to extend the same exemption to local government. The potential to save public/rate payer funds would be beneficial for councils when they choose to develop council-owned land for housing purposes.

SIRA's discussion paper notes that benefits include the reduction of regulatory burden and the potential to save 5-6% of the cost of building work in multi-dwelling development by avoiding the base insurance premium. This could potentially encourage more councils to pursue additional projects that alleviate housing demand.

The NSW Government 2021 whole-of-government housing strategy *Housing 2041* intends to support the use of council owned land for housing, where this is deemed appropriate by local communities. Addressing housing availability and affordability is a key advocacy priority for LGNSW and this reform idea is a positive step towards this goal.

Councils are continuing to explore local solutions to local problems on housing supply, but must be supported by the far greater resourcing available to state and federal governments. Any support offered by SIRA in alleviating one of the regulatory costs of development would be welcome.

Please contact [REDACTED], Strategy Manager, Planning should you wish to discuss this matter further ([REDACTED] or phone: [REDACTED]).

Yours sincerely

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[REDACTED]  
**Director, Advocacy**