

2023

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

2023-24 Budget Estimates

OPENING STATEMENT

**Rebecca Vassarotti MLA
Minister for Sustainable Building and Construction**

I wish to acknowledge the Ngunnawal people as traditional custodians of the land we are meeting on and recognise any other people or families with connection to the lands of the ACT and region. I wish to acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region. I would also like to acknowledge and welcome other Aboriginal and Torres Strait Islander people who may be attending today's hearing.

It is my pleasure to be able to update the Committee of the work undertaken across the Sustainable Building and Construction Portfolio, a key portfolio for promoting health, safety, amenity and sustainability outcomes and maintaining quality of living standards for Canberrans.

Building Quality Initiatives

As the Minister for Sustainable Building and Construction, I am committed to action that protects homeowners and the community from poor building quality, addresses building safety, and addresses unsafe practices in the building and construction industry. Through these measures we are aiming to improve community confidence in the building and construction industry, by delivering policy and regulatory settings that are current, adequate, and effective and that deliver sustainable and climate-resilient buildings.

Over the 2022-23 financial year, there has been a significant amount of work commenced, progressed and completed on the ACT's building regulatory system to improve the quality of buildings, support climate resilient and sustainable buildings, provide robust public protection measures and drive integrity and accountability in the ACT building and construction industry.

The annual reporting outlining the work undertaken is available on the Build, Buy, Renovate website, together with information on the latest reforms within the ACT Government's Building Reform program. This will continue to be updated on a regular basis to provide the community and industry with information on the status of implementation and development of reforms as well as planned initiatives. This transparency is important to me and we have heard positive feedback from Industry in communicating these updates.

I would also like to acknowledge the continuing challenges some sectors of the building and construction industry are facing as residual impacts of the COVID-19 pandemic. I appreciate the ongoing positive engagement of stakeholders in our building and construction industry to provide valuable insight into industry practice and experience.

This has been a significant year in terms of reforms to the National Construction Code, in which the ACT has advocated strongly for improvements to the performance of our buildings. From 1 October 2023, all new homes built in the ACT will be required to have seven-star energy efficiency and meet minimum accessibility standards, making sure that all new homes will be designed for people and climate following the adoption of the 2022 edition of the National Construction Code in the ACT.

At the national level, I have also raised through the Building Ministers Meeting the need for national consistency in relation to measuring carbon emissions in the building and construction industry. This will support us to get on with the job of reducing emissions generated by the sector. The Environment Planning and Development Directorate also continues to participate in national discussions through the Australian Building Codes Board on the inclusion of

commercial energy efficiency provisions and provisions for building resilience in the NCC to address future weather events and climate risks.

I would also like to share some highlights of work undertaken over the last financial year and work that is progressing into 2023-24 on key initiatives:

- a review of the ACT's regulatory settings for fidelity fund schemes and related residential building work insurance settings to make sure provisions are contemporary and fit for purpose was commenced. This work included the development of an interim report which included draft findings and recommendations, and stakeholder consultation. A final report will be provided to me in the second half of 2023, with recommendations for improvements to support the continued efficient and transparent operation of fidelity fund schemes and related residential building work insurance settings.
- work continues to progress to strengthen certification services in the ACT. This includes policy work on the Parliamentary and Governing Agreement for the 10th Legislative Assembly commitment to establish an expert team of publicly funded building certifiers within the ACT Public Service. This work also responds to recommendations from the ACT Inquiry into Building Quality and recommendations from the Building Confidence Report. A consultant has been engaged to undertake an assessment of the ACT building surveyor/certification system and develop possible options for Government consideration. This work has included consultation with industry and community stakeholders.

- significant policy work on options for developer licensing and regulation to improve the accountability of property developers in the building and construction industry has progressed. A Developer Regulation Discussion Paper was prepared and released in December 2022 which included a range of issues and options. Community and industry consultation was undertaken in early 2023, and listening report was published in May 2023.
- policy research and analysis has commenced on development of a 10-year pathway to shift to world's best practice on climate-ready and environmentally sustainable buildings. This includes the engagement of a consultant to investigate best practice and how this is or can be applied in the ACT context, and work across Government to identify those areas where the ACT has already taken a leading role.
- work has progressed on the implementation of the Professional Engineers Registration Scheme, including ongoing consultation with key industry stakeholders. A dedicated page on the Build Buy Renovate website has been established to provide information to the community on implementation of the scheme. I will be providing further details on the commencement of the scheme in the coming months.
- work has progressed on swimming pool safety reforms to prevent death and serious injuries from drowning and non-fatal drownings in home swimming pools with a focus on regulatory reforms relating to pool barriers. This included public consultation undertaken in February and March 2023 and a listening report was published in May 2023. The ACT Government is looking to introduce legislation later this year in relation to swimming pool barriers in the ACT.

- work has commenced and progressed significant policy work on several improvements to the ACTs building regulatory system
- work continued on the consideration of the recommendations from the Building Confidence Report and how they may be implemented into the ACT's building regulatory system.
- work continued to be progressed on recommendations agreed or agreed-in-principle in the Government response to the Inquiry into Building Quality. Several current reforms being progressed will respond to recommendations from the Inquiry.

We will continue to progress work to support, drive and deliver an environment in which the building and construction industry thrives and produces high quality, safe and sustainable buildings for Canberrans and a transparent, accountable and innovative industry.

Private Buildings Cladding Scheme

The Cladding Rectification Program supports the testing, risk assessment and remediation of combustible cladding on eligible privately owned buildings and the removal of higher risk combustible cladding from ACT Government owned buildings.

The Private Buildings Cladding Scheme (the Scheme) provides financial assistance to eligible owners corporations to:

- identify if their building has combustible cladding; and
- to remove cladding that poses a moderate or higher risk.

The identification and assessment of cladding risk was undertaken in the testing and assessment phase, which was open for applications between 21 July 2021 and 21 July 2022. Owners corporations participating in the Scheme

were given a 50% rebate on the costs (up to \$20,000 excl. GST) of having the cladding on their buildings tested.

On 29 August 2022, the Government launched a concessional loan scheme to assist owners corporations with the costs of remediating higher risk cladding on their building. The concessional loan is significantly more attractive than other loans currently available in the commercial market, providing a low interest rate, no application or early repayment fees; and up to \$15 million per owners corporation.

Costs covered under the concessional loan will include the cladding remediation design and works, any 'make good' works necessary due to cladding remediation, and regulatory fees, such as building approvals.

The Government has also undertaken work to identify and remediate combustible cladding on ACT Government owned buildings. We identified 23 buildings needing remediation and successfully completed works on all of these buildings by December 2022, within our set timeframes and within allocated budget.

I wish to thank the owners corporations and all ACT residents who have engaged with the Cladding Rectification Program. Together we are working to make where we live, work and play safer.

Loose Fill Asbestos Insulation Eradication Scheme

The Loose Fill Asbestos Coordination team (LFAC) commenced operation on 1 July 2022, following the closure of the Asbestos Response Taskforce on 30 June 2022.

LFAC have continued the work of the Taskforce in administrating the Loose Fill Asbestos Insulation Eradication Scheme (the Scheme). The Scheme has been in operation since 2014, and the past nine years have seen tremendous work progressed in eradicating loose fill insulation from the homes of Canberra.

The team continue to provide support to remaining homeowners of 'Mr Fluffy' properties, purchasers of remediated blocks and in administering the Buyback program.

The vast majority of 1029 affected properties have been eradicated from the Canberra community. As at 5 July 2023, 1011 properties have been removed from the Affected Residential Premises Register through the Scheme, Assisted Private and Self-Funded demolitions.

LFAC continue to work through the complexities and challenges of the small number of remaining affected properties within the Scheme.

Great progress has also been made in delivering the projects requested by the Legacy Working Group. Across the square at the Canberra Museum and Gallery one of these projects opened on 8 July 2023. The 'Mr Fluffy' our voices exhibition is informing Canberrans and visitors about loose fill asbestos and its impact on our city.

It is a moving and reflective exhibition that tells this history through the voices of impacted residents. I would encourage everyone to visit the exhibition and want to extend my thanks to the curator Ross Heathcote for the thoughtful and powerful way in which the exhibition has been put together, and also thank the Legacy Working Group driving the creation of this exhibition.

Construction of the Place of Reflection is on track, and at this stage, will open at the National Arboretum by the end of this year.

LFAC also continued to support awareness of asbestos in homes across Canberra by developing an updated Asbestos Advice Notice. The new notice, in effect from 1 July this year, provides updated information to homeowners and tenants about where asbestos can be found in homes built in or before 1990, and also expressly references loose fill asbestos. The updates to the notice were informed by advice from the national Asbestos Safety and Eradication Agency.

I want to extend my thanks to the LFAC team for their hard work and also acknowledge the work of their predecessors in the Taskforce. This work has not been easy and the dedication of the ACT Public Service in delivering this initiative is to be commended. I also wish to acknowledge the residents and homeowners who have been impacted by loose fill asbestos and reflect on the personal impact it has had on them.

I am pleased to provide this update for the Committee on the considerable work and progress across the Sustainable Building and Construction Portfolio.