



New Zealand Institute of Building

# Learnings from New South Wales Building Reforms 2019-2024

Building Commissioners personal insights

**David Chandler OAM**  
NSW Building Commissioner

14 March 2024

# The NSW Building Commission 2024 - core themes

Partnering to deliver the NSW Government's housing commitments



A construction industry that can build the **housing needed over the next 10 years**



**Quality accountability** is not be sacrificed for quantity



**Work with all government agencies and industry** to make this possible

# NSW and New Zealand seem to have similar challenges



'Living hell': Owners of The Ridge apartments try to sell entire building  
[nzherald.co.nz](http://nzherald.co.nz)



Mascot Towers

What prepares you to be a Building Commissioner?  
Maybe 50 years of experience, who knows.  
Certainly 3 in a quasi-academic setting helped.



# Evidence based decision making is fundamental

## Construct NSW

### Digitalisation of Construction

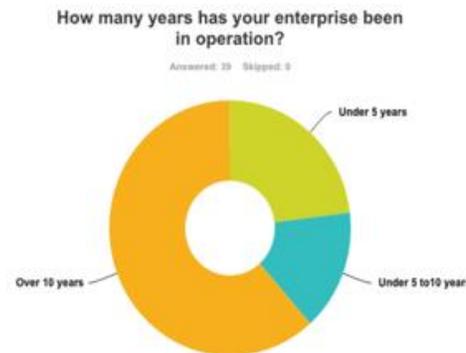
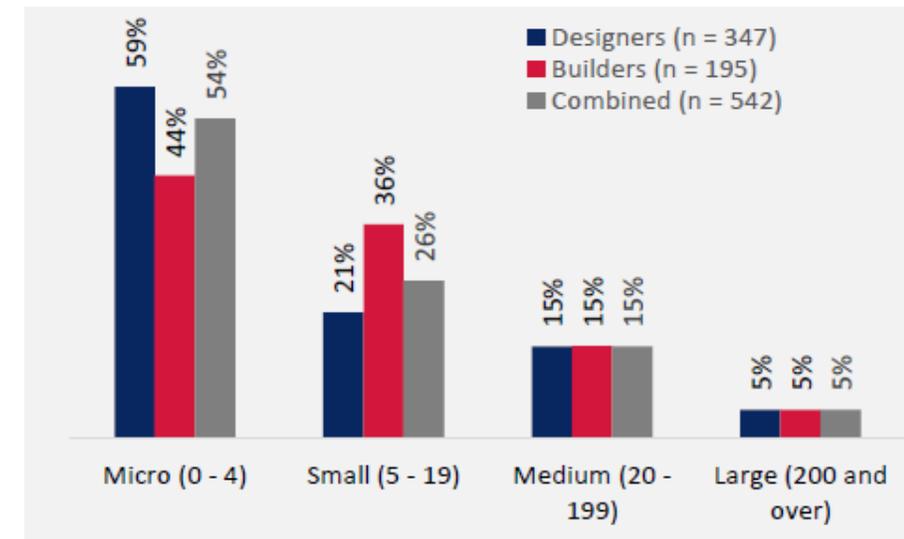
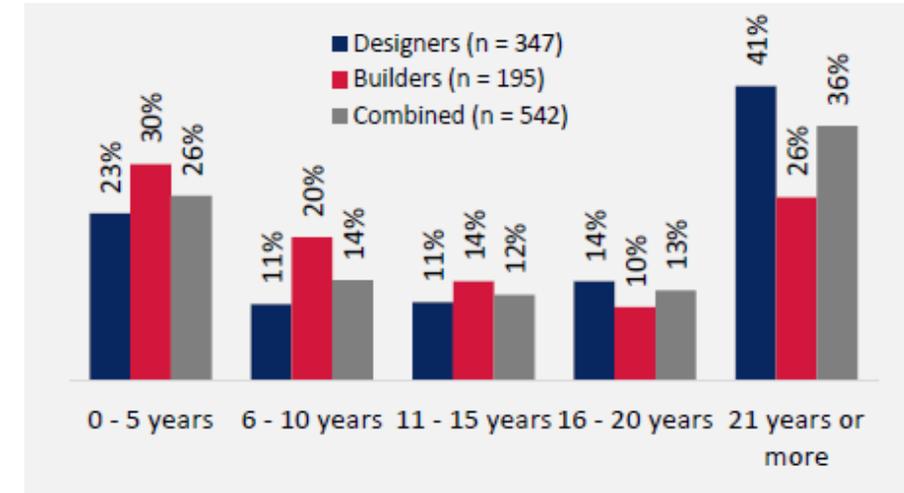
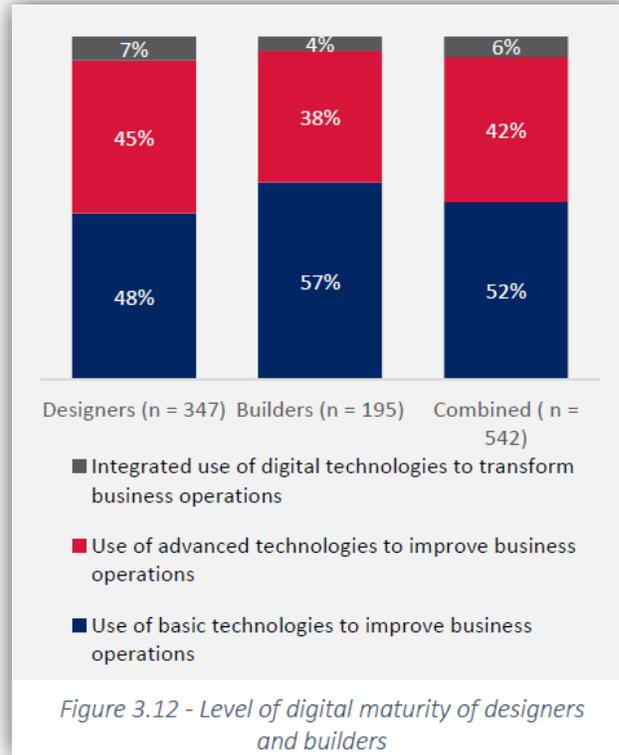
Industry Report on  
Digitalisation of Design and Construction of  
Class 2 Buildings in  
New South Wales

Srinath Perera  
Xiaohua Jin  
Marini Samaratunga  
Kasun Gunasekara

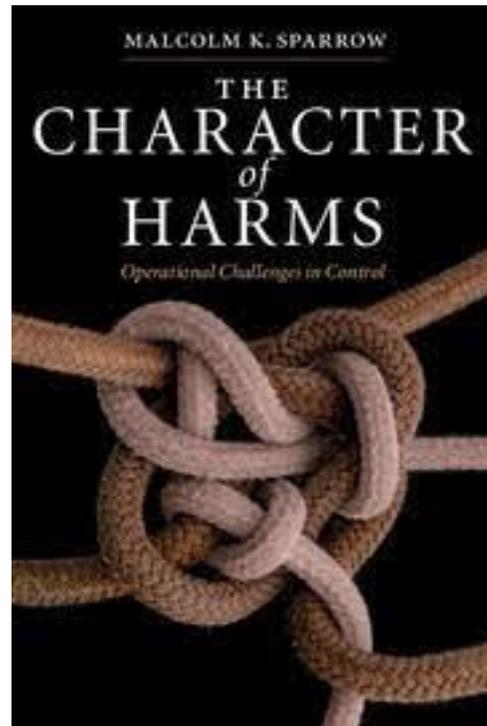
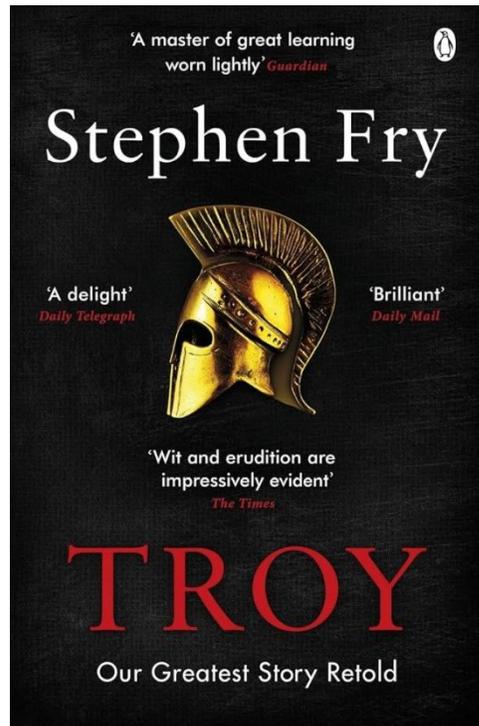
WESTERN SYDNEY UNIVERSITY  
Centre for Smart Modern Construction

June 2021

ISBN : 978-1-74108-527-3  
DOI : 10.26183/jp6q-mp48



# What sort of things shape a Regulators thinking & Strategy?



NSW the **preferred state** for purchasers to invest in new **apartment buildings**



NSW regarded by **financiers** as a **preferred market** to finance new projects



NSW regarded as a **preferred risk** and **insurable** market by **insurers**



Branded **developers** in NSW regarded as preferred and **trustworthy**



Change the public perception of our industry to **attract** tomorrow's constructors

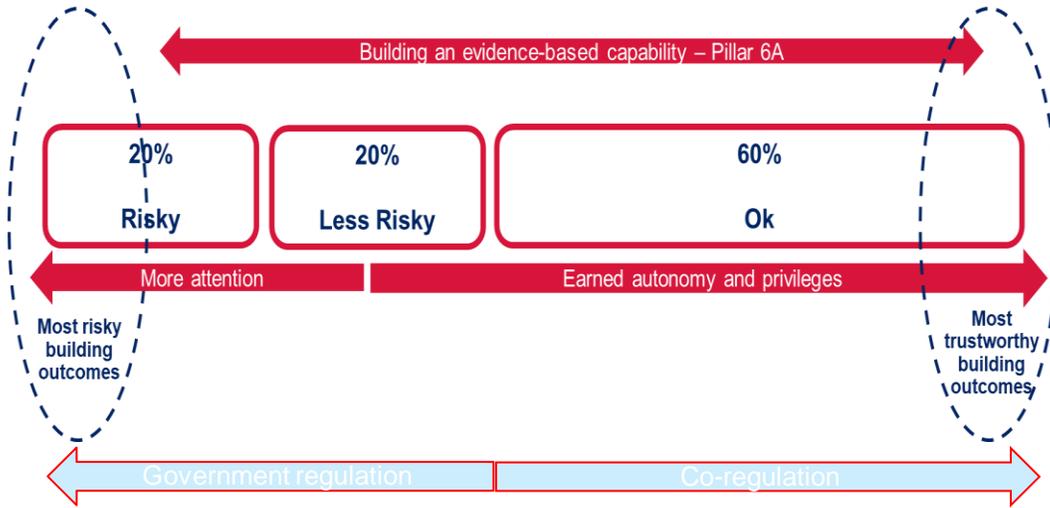


Building Commission to facilitate **25,000+** apartment starts by 2025

# The Construct NSW journey from 2019 to 2023

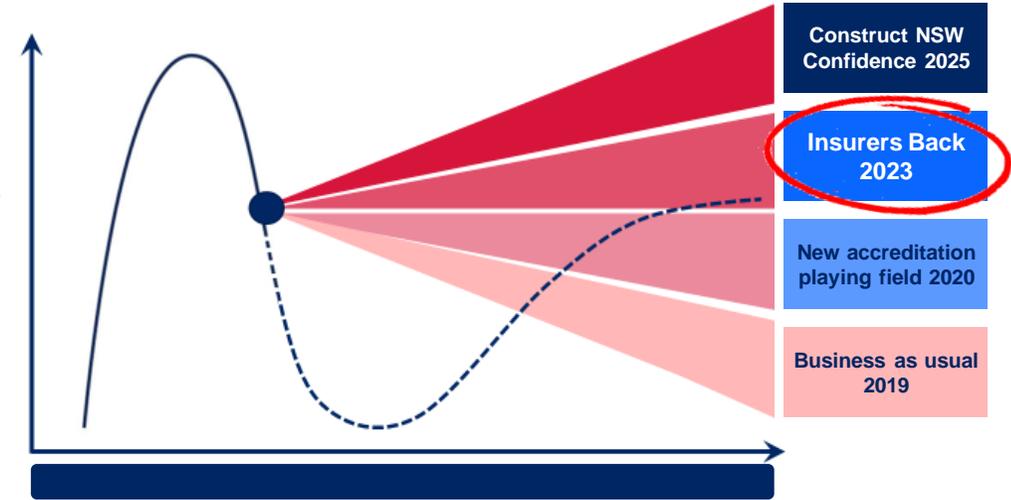


## Moving away from one size fits all players and buildings

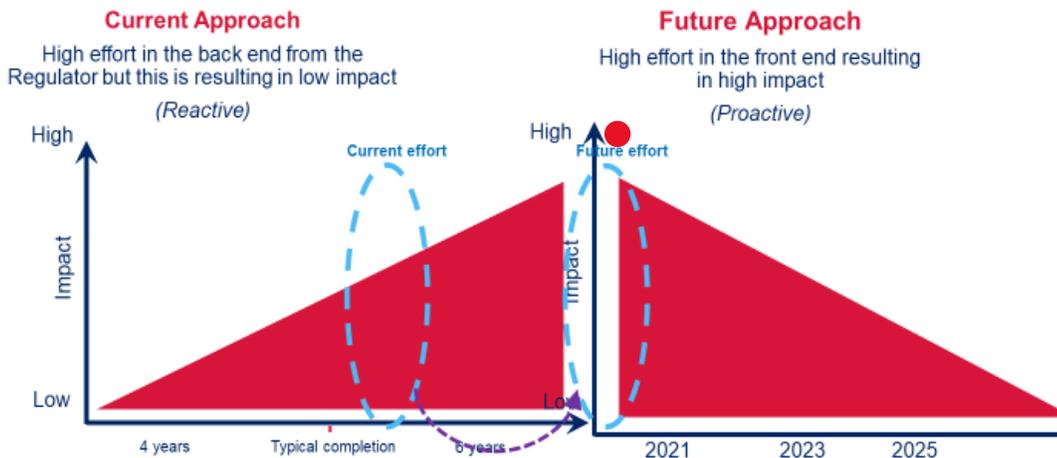


## Reversing the Construction Confidence Crisis

Today we are witnessing an industry crisis, we need to rebuild public confidence in construction



## Changing the regulators approach to be one that is proactive and focusses on effort before completion



## Construct NSW will deliver outcomes through six Pillars

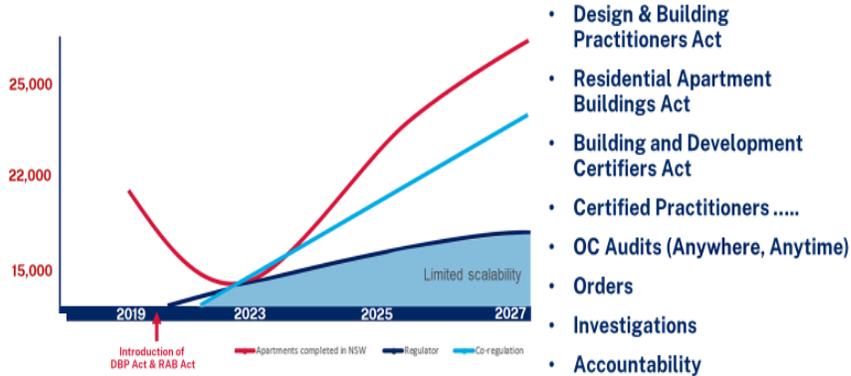
60%

- Customer-focused regulatory framework**
  - New buildings designed and constructed according to the Building Code of Australia
  - Higher standards of certification work
  - Building owners provided with documentation to be able to maintain their asset
  - Additional legislation to enhance requirements around fire safety and key building elements
  - Produce an industry that is customer focussed and seeks to deliver quality outputs
  - A regulator that is empowered, organised and resourced to be impactful and efficient
- Ratings systems to provide greater information transparency**
  - Facilitate the creation of regulated ratings tool information that can be purchased in the open market by insurers
  - Apply ratings information to complement existing intelligence data held by regulators
  - Facilitate market settings to allow decennial liability insurance to be offered for high-quality class 2 buildings
- Lifting skills and capabilities**
  - Open source content is delivered by NSW-based institutions
  - Measurable uplift in practitioners performance (complaints, claims, etc)
  - Regulator applying direct education as a compliance tool
  - Enhanced consumer and market confidence in the performance capabilities of the sector
- Strengthening contracts and standards**
  - Clearly defined roles and accountabilities in template construction contracts
  - Measurable uplift in (production in defects, complaints, claims, etc)
  - Regulator able to use contract templates as a compliance tool to reduce consumers' exposure to risky projects
  - Insurers able to supply appropriately priced policies to practitioners and projects throughout the supply chain
  - Enhanced consumer and market confidence in the performance capabilities of the sector
- Using digital platforms to drive enhanced accountability**
  - A public digital framework for capturing, storing and sharing building-related data
  - Legislators established for building products, practitioners and buildings
  - A building quality assurance architecture that will be able to evolve to have global application
  - Building and safety regulators able to more efficiently monitor risks and enforce compliance
- Using data and research to deliver continual improvement**
  - Public dashboard reporting on the outcomes of the workplan
  - Microscopic knowledge of pain points and drivers of poor performance
  - Establish trusted longitudinal data on the sector's performance
  - Establish a customer-focused industry culture that strives for continual improvement

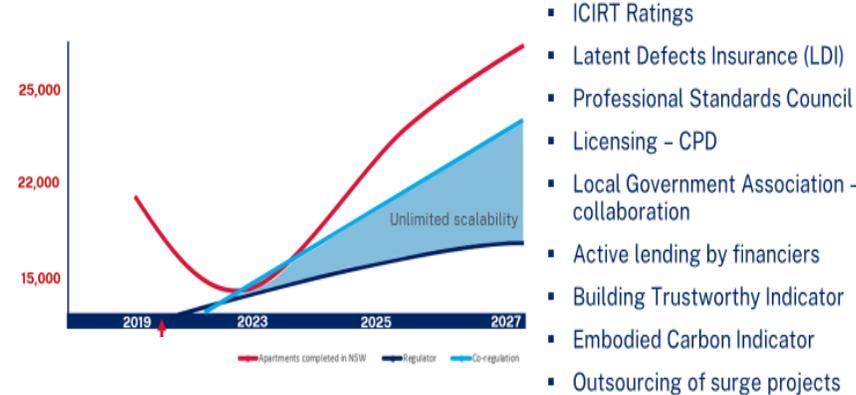
# Expanding and maturing industry reforms – 2023 and on



## Growing core regulator capability (Class 2, 3 & 9c buildings)

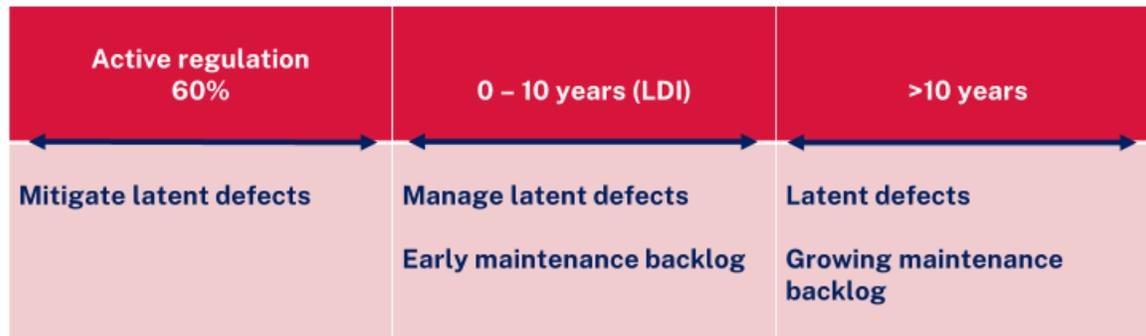


## Growing complementary industry governance (Class 2, 3 & 9c buildings)



- A new Building Act for all trade work in NSW, including covering engineers, commercial building work and prefabricated building work for the first time.
- Stronger consumer protections, including rollout of decennial liability insurance, comprehensive new rules to target illegal phoenixing and enhanced dispute resolution capability in the regulator.
- Stricter rules around compliance – stronger enforcement powers, clearer rules around supervision, expanded use of digital tools and aligning planning system with building controls.
- Reforming building product safety by introducing clear accountabilities for all members of supply chain.
- Exploring opportunities to leverage industry capability through co-regulation.

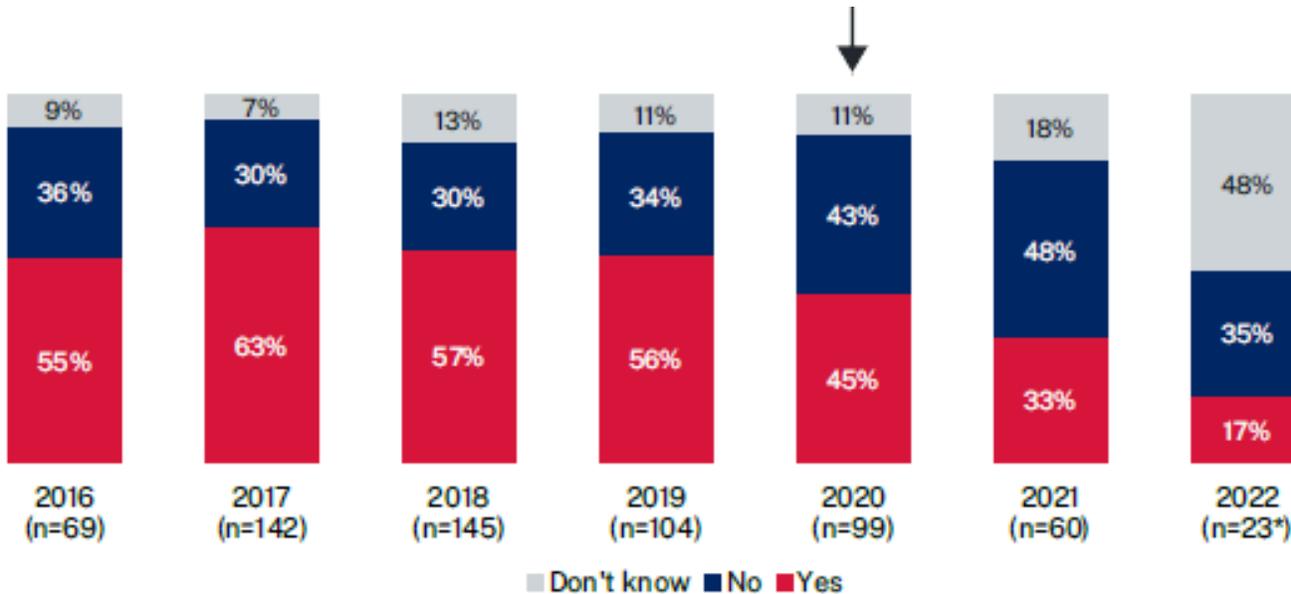
## Transferring from a Reactive to Proactive approach for building lifecycles



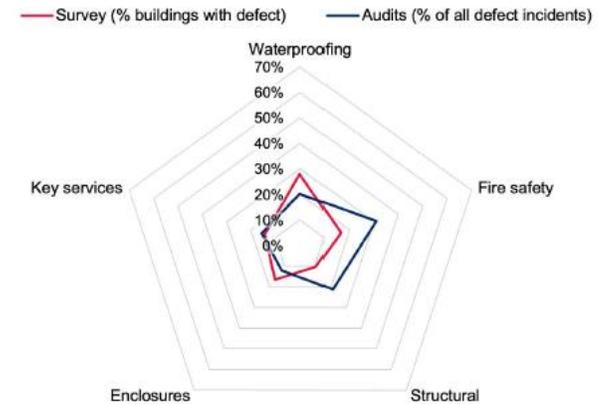
# We've made a lot of progress in four years

## Incidence of serious defects (by building registration year) among all buildings<sup>2</sup>

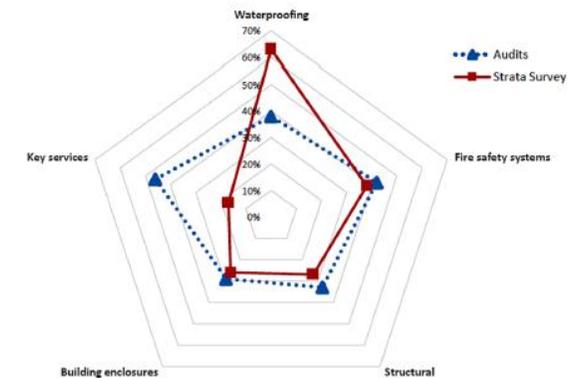
The DPB Act commenced on 10 June 2020  
 The RAB Act commenced on 1 September 2020



Comparison of serious defect data between OC audits and survey data (2020-2022)



Comparison from 2021 report



Base: 2021 Survey: Buildings registered 2014-2020 with one or more major defects; OC audits conducted in 2021

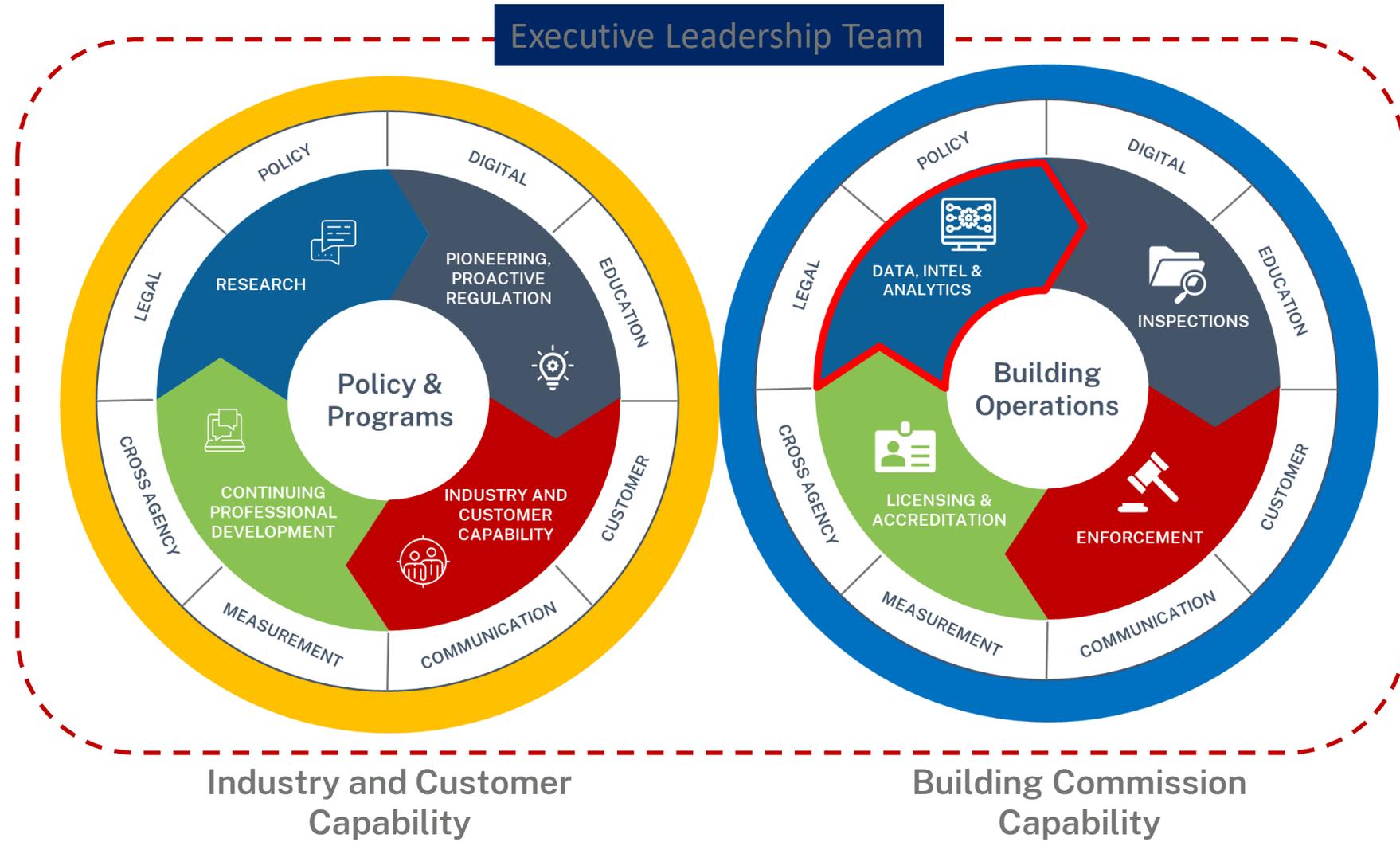
# Building Commission NSW Strategy- Where to from here?



## Our strategy focusses on - classes 1, 2, 3 and 9c buildings across NSW

The Building Commission NSW is central to rebuilding trust and capability in the construction sector and delivering on the Government's housing commitments.

We operate statewide in both metropolitan and regional areas. The Commission is focused on outcomes and we work together to do what's needed to achieve them. We are based where homes are being built to ensure compliance is carried out on a regular basis.



# Regulation in action...

## Registration of practitioners

### Gateway #1

Registration of practitioners

=

Unique digital fingerprint

2209 Professional Engineers

3640 Design Practitioners

1187 Principal Design Practitioners

3654 Building Practitioners

7595  
Unique applicants

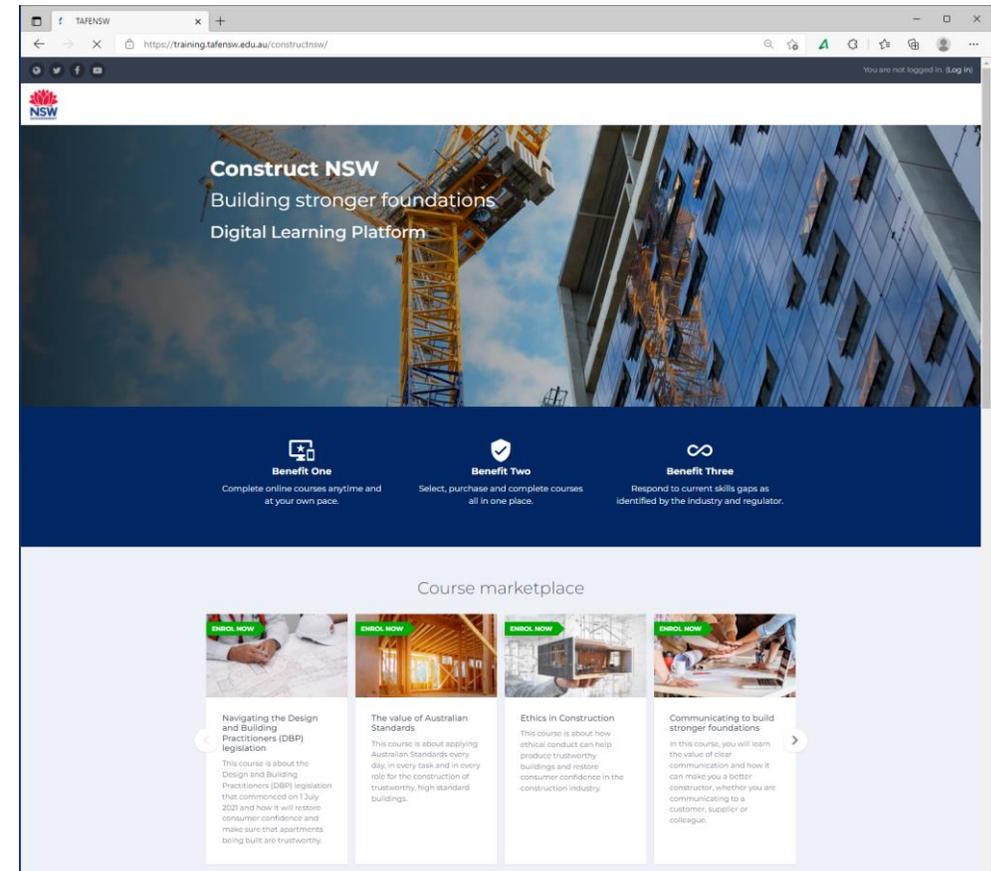
Figures as 31 October 2023

Design and Building Practitioner Course

8972 (Pass Rate = 93%)

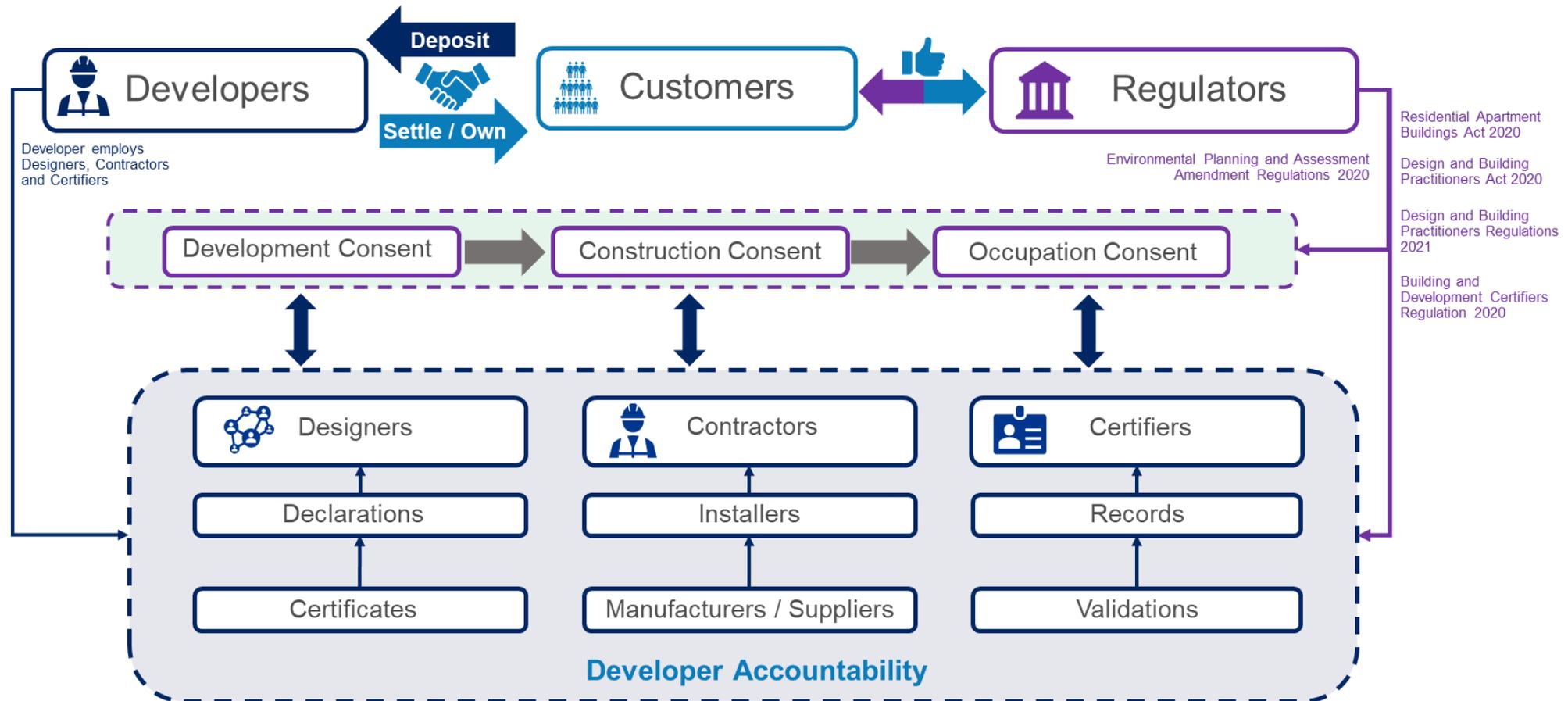
Australian Standards Course

10,750 (Pass Rate = 82%)

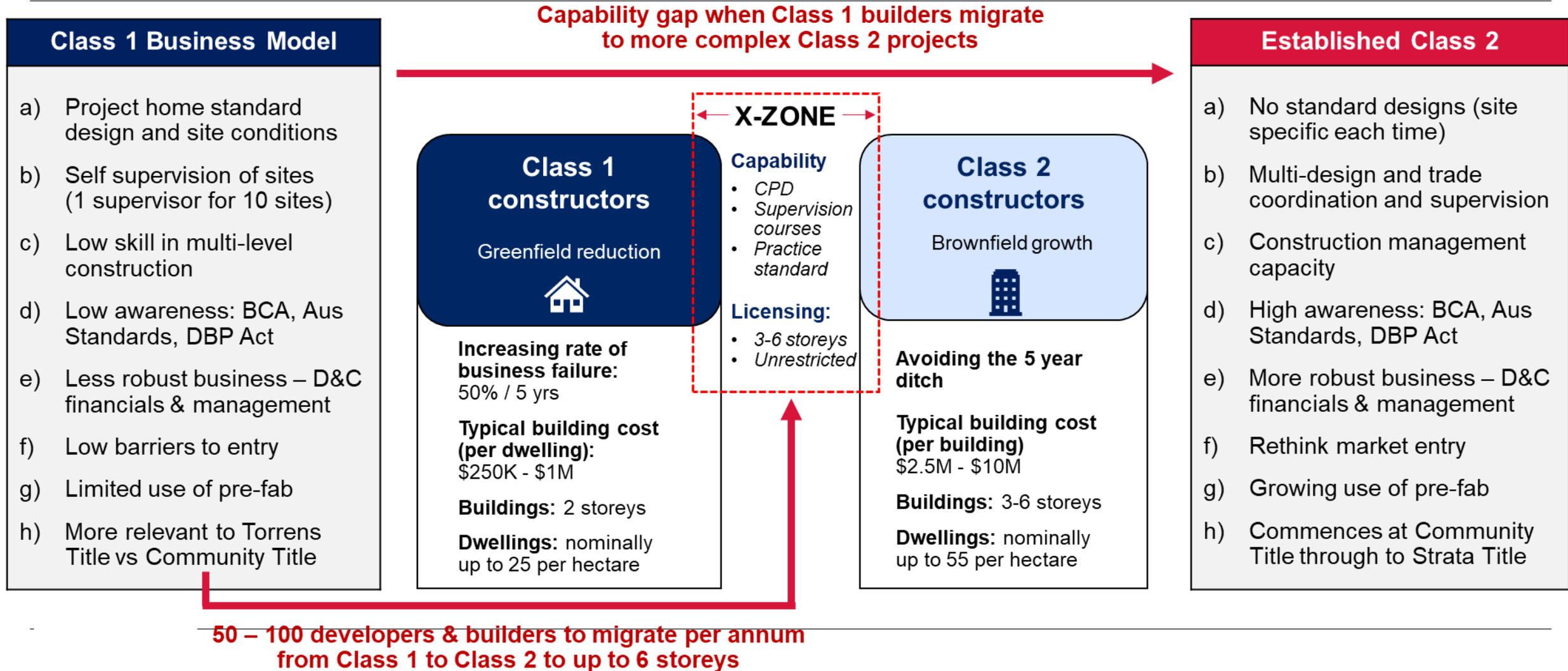


# Regulatory landscape

## Role of the regulator, building and property professionals

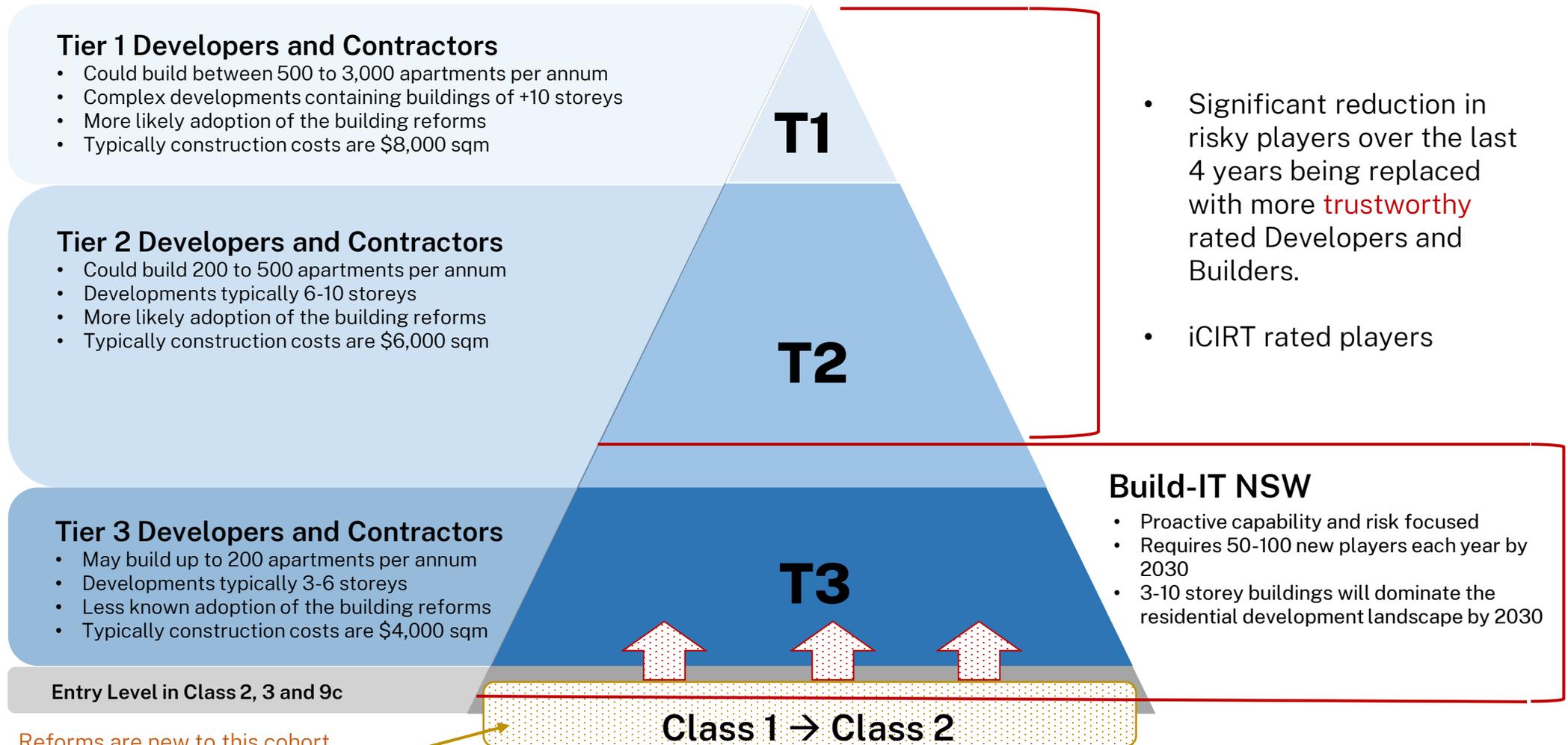


# As more builders transition from Class 1 to Class 2 how can the capacity and capability gap be closed?



# Building industry capability 2024 - 2030

(Class 2, 3 and 9c landscape)



Reforms are new to this cohort.  
Must avoid new entrants being the cause of  
the next wave of defects crisis.

# Questions & Answers

[nsw.gov.au/building-commissioner](https://nsw.gov.au/building-commissioner)

