

Sunshine will continue to show the way ahead

UDIA NSW President's Luncheon

David Chandler OAM, NSW Building Commissioner

Matt Press, Executive Director, Compliance Dispute Resolution

25th August 2022



Why the best will prevail



Year 11 & 12 students from Moorebank High School

The best employers will attract the best players

- The best workforce
- The best design practitioners
- The best construction supply chain
- The best customers will prefer to deal with the best players
- Financiers will prefer the best players
- The best regulators will attract the most talented workforce.

And, they'll need to attract them early.

The best players will be customer-centric

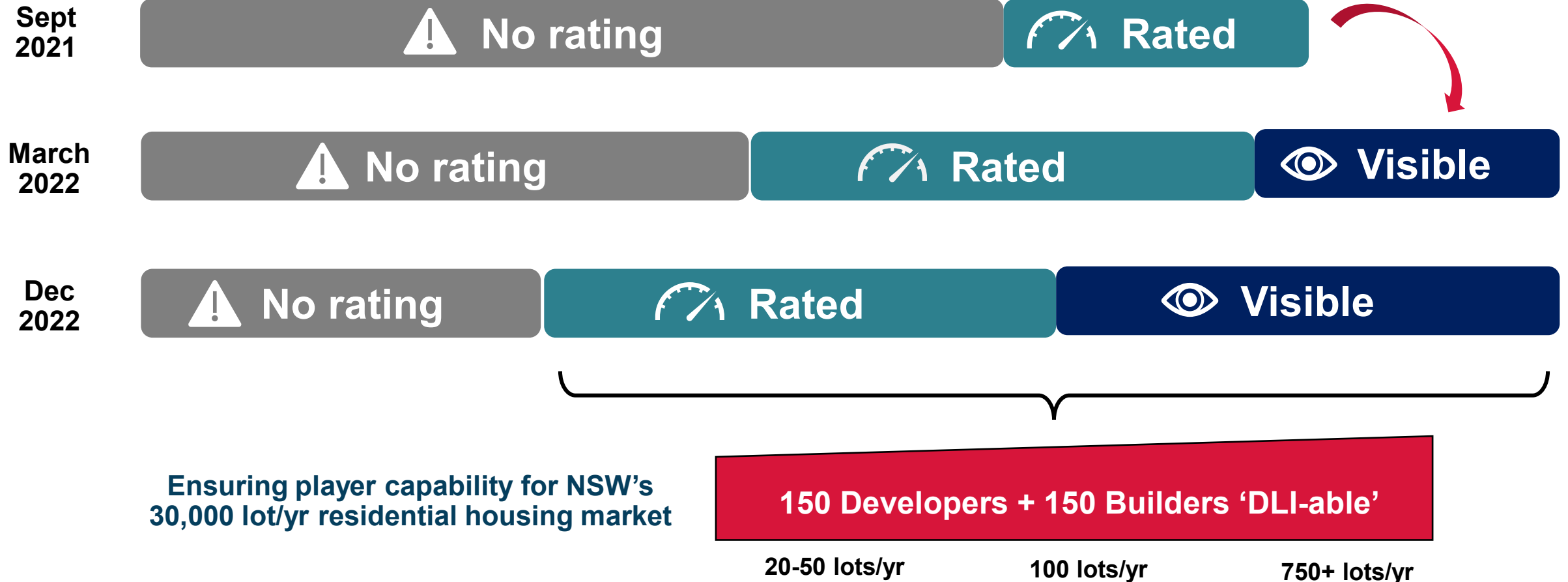


- The focus of our journey **so far** has been on what happens to buildings *before they are built*.
- What happens to buildings *after they have been built* now becomes our expanded journey.

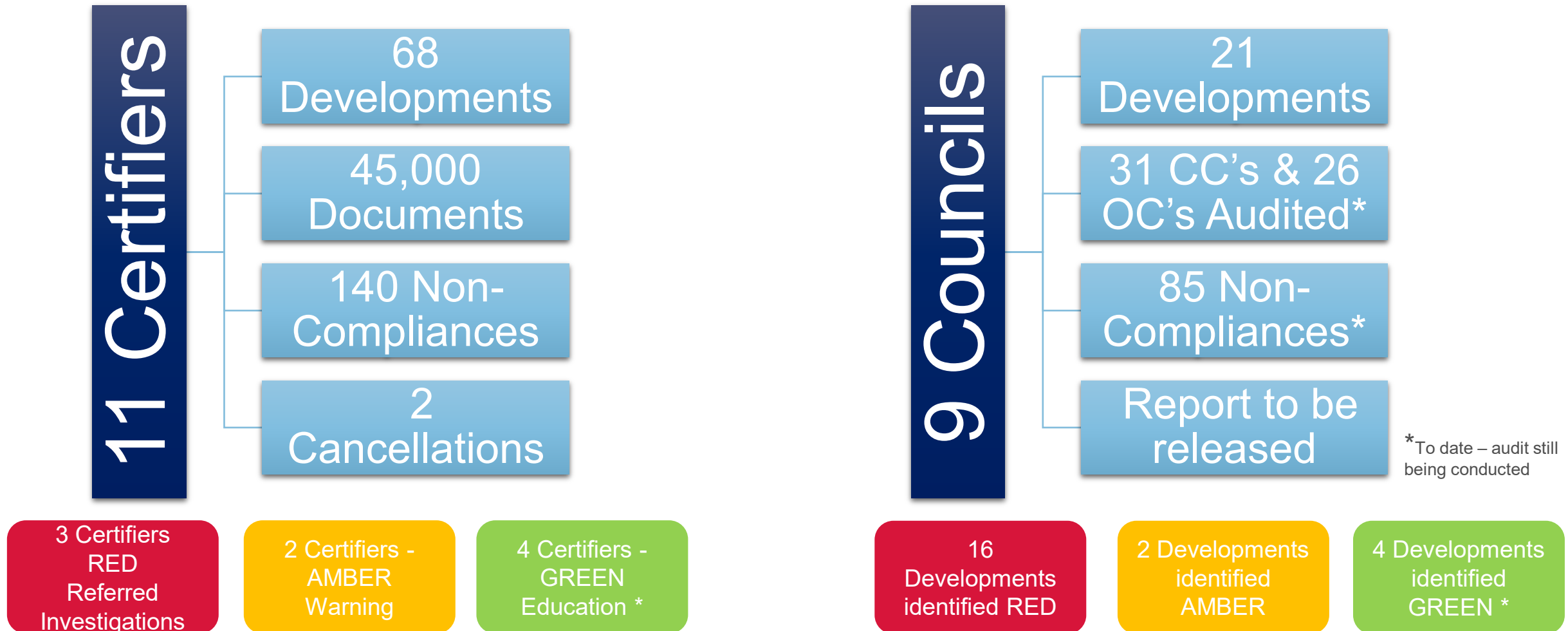
That's why dealing with rated trustworthy players becomes so important...

- Because they will be interested in making quality buildings and demonstrating their commitment to stand behind them once they are built.

Differentiating the best from the rest



Certifier Program – Private vs Council



Becoming the best is the new reality

Despite noise from those still living in the past

"Wait until they start applying this to the real world of construction. Their ethics will be challenged"



"It's dog-eat-dog and the winner takes all"

"Sticking to principles has only ever brought me pain"



David Chandler OAM • You
NSW Building Commissioner at NSW Department ...

1w ...


Shantal you and your colleagues today are the face of a modern trustworthy construction industry. It is my duty and privilege to share as many insights as possible at the home of learning and to share how your futures can unfold. It is interesting how the subject of ethics and social responsibility can hold an audience for nearly 2-hours. There is much more to share.

Thank you to [#MartinLoosemore](#) and [#UTS](#) for making today's conversation possible. I was truly uplifted by the engagement of you and your colleagues. Well done all.

[#BuildingStrongFoundations](#) [#Trustworthiness](#)
[#DigitalTwins](#) [#CONSTRUCTNSW](#)

Like ·  126 | Reply · 11 Replies



Studying Construction Project Management
1w · 

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What an experience! Thank you [David Chandler OAM](#) for coming and addressing our questions! We learnt new insights and perspectives on how we can do better. Inspiring us young members of the Construction Industry. ...see more



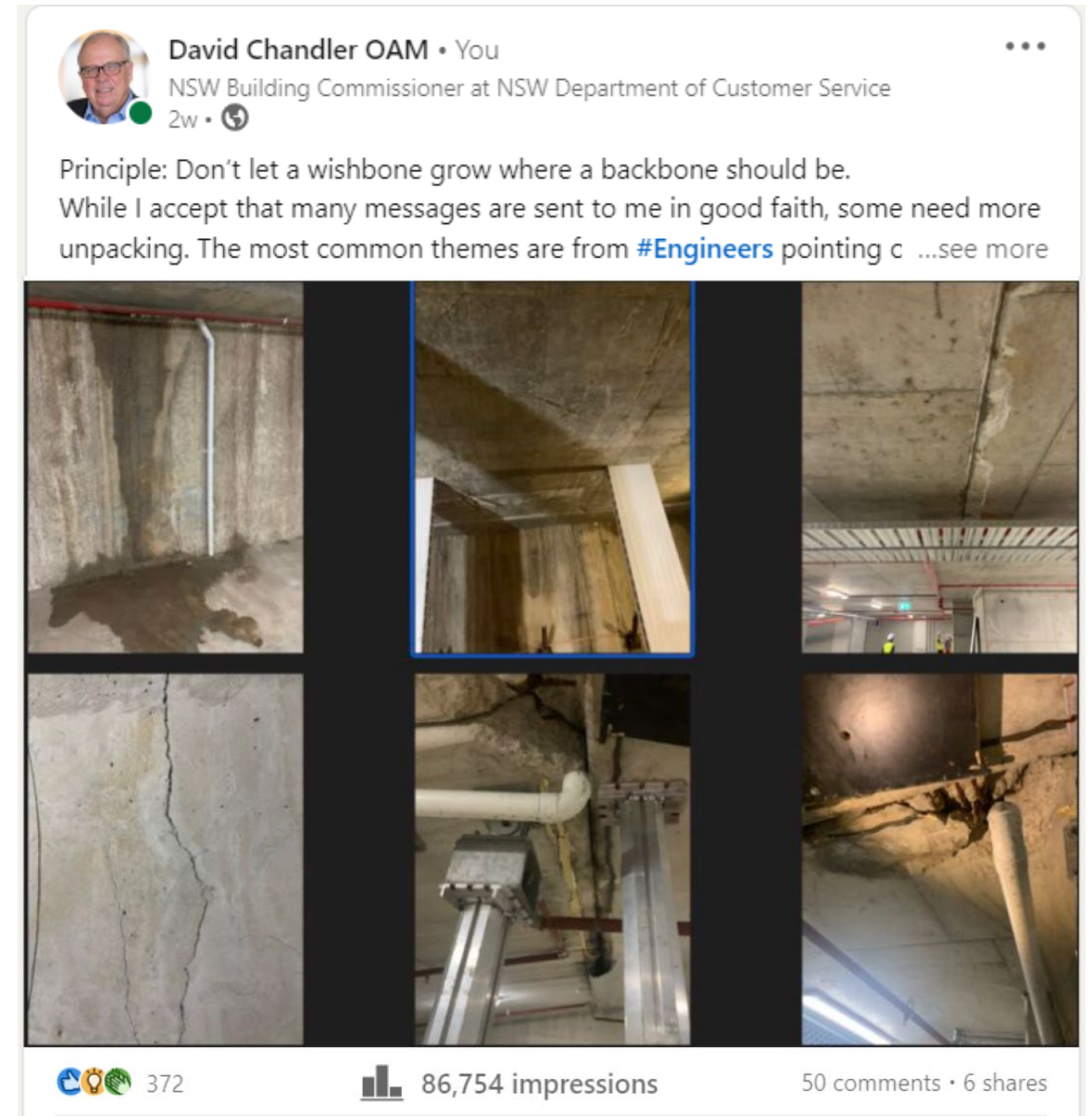
 Maha Payne and 255 others

15 comments · 3 shares

In summary, more sunshine to follow

The standard you
are prepared to
walk by, will be the
standard you will be
prepared to accept

Don't let a wishbone grow where a backbone should be



Matt Press

Executive Director – Compliance Dispute Resolution



The train is coming...time to get aboard

Despite hesitancy to purchase apartments off-the-plan, government initiatives could help to increase openness



38%

of prospective buyers are extremely/very likely to purchase an apartment off the plan

% extremely/very likely to buy after hearing about the following



54%

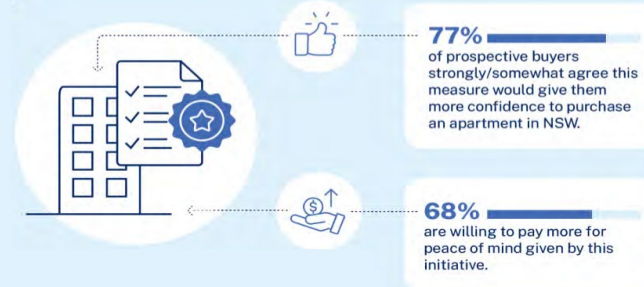
Building compliance measure



57%

10 year liability insurance

Building compliance measure



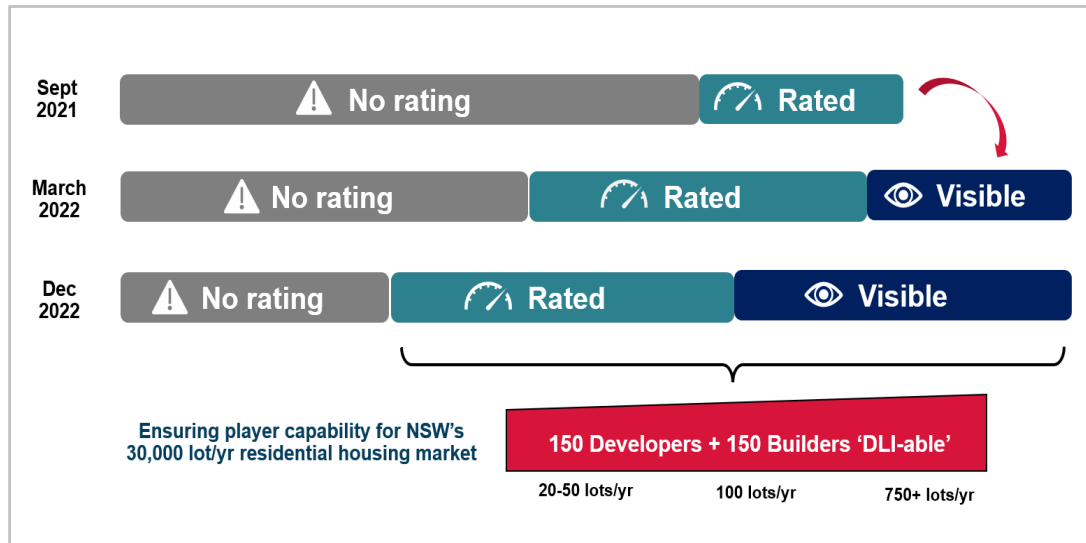
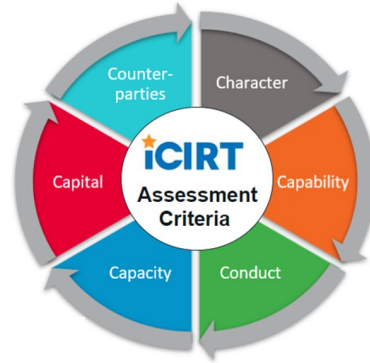
10-year liability insurance



**Evidence of trust is valued
20% increase in confidence**

Customers want to deposit with rated projects

The iCIRT scorecard so far



130+ paid ratings engagements

80% seeking a gold rating

50+ have received a rating (silver/gold)

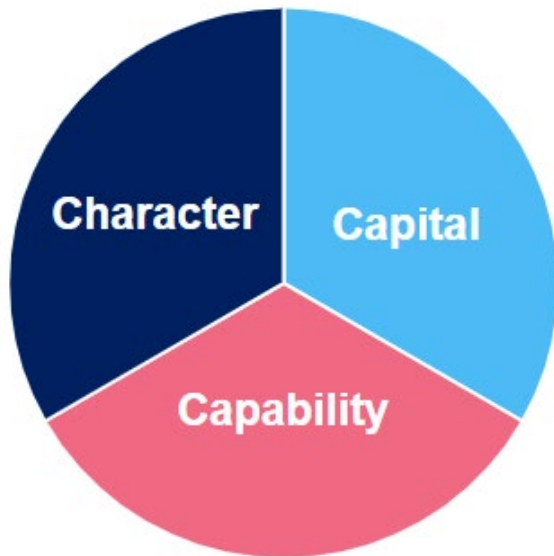
19 (22) ratings published on the register
(*30 expected by end-August*)

Building a trusted, resilient construction sector



Market Produced Rating Trust Focussed

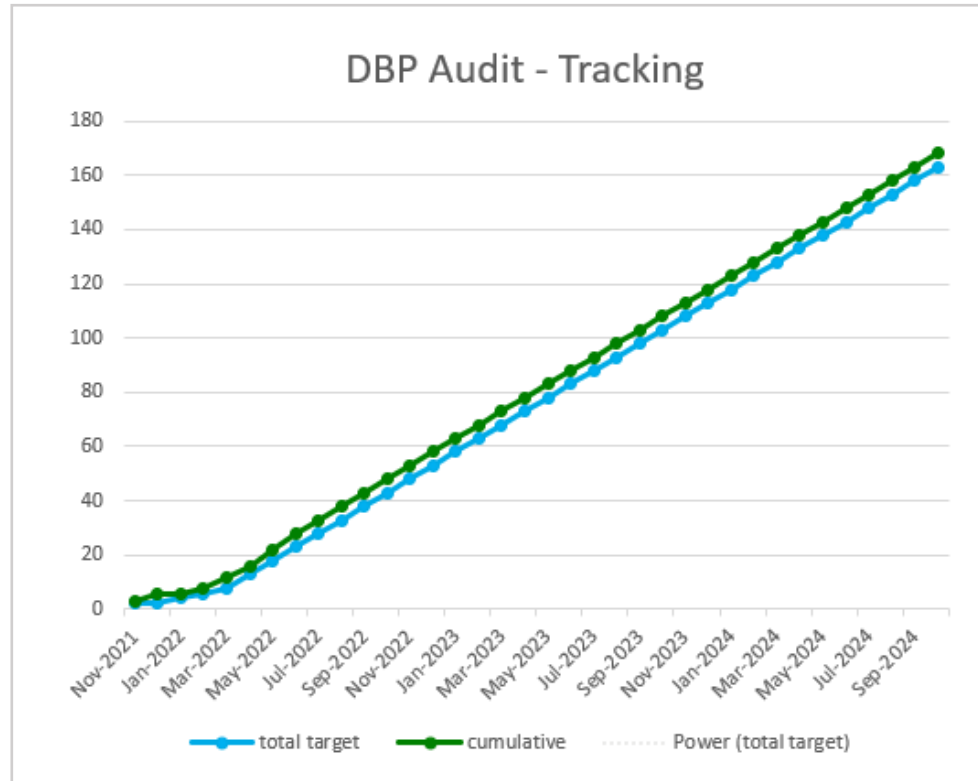
Businesses & consumers better informed about the reliability of a player they want to deal with



What are the key factors?

- **Capital** – funding, borrowing capacity, covenants, debt serviceability.
- **Character** – Bona fides of officers / owners, phoenixing & adverse checks,
- **Capability** – Trading history, officeholder experience, licenses, insurances,
- **Conduct** – Track record, judgements, tax debt, incidents, penalties, undertakings.
- **Capacity** – project pipeline, sustainable / stable operations, liquidity, cash flow
- **Counterparties** – related parties, value chain dependencies, sustainable sourcing

It's not a case of IF, but WHEN – DBP



33 Audits

30 Practitioners

*2 Practitioners x 2 Audits

Development Cost
Total \$2,351,232,755

8 Closed

5,160 Units

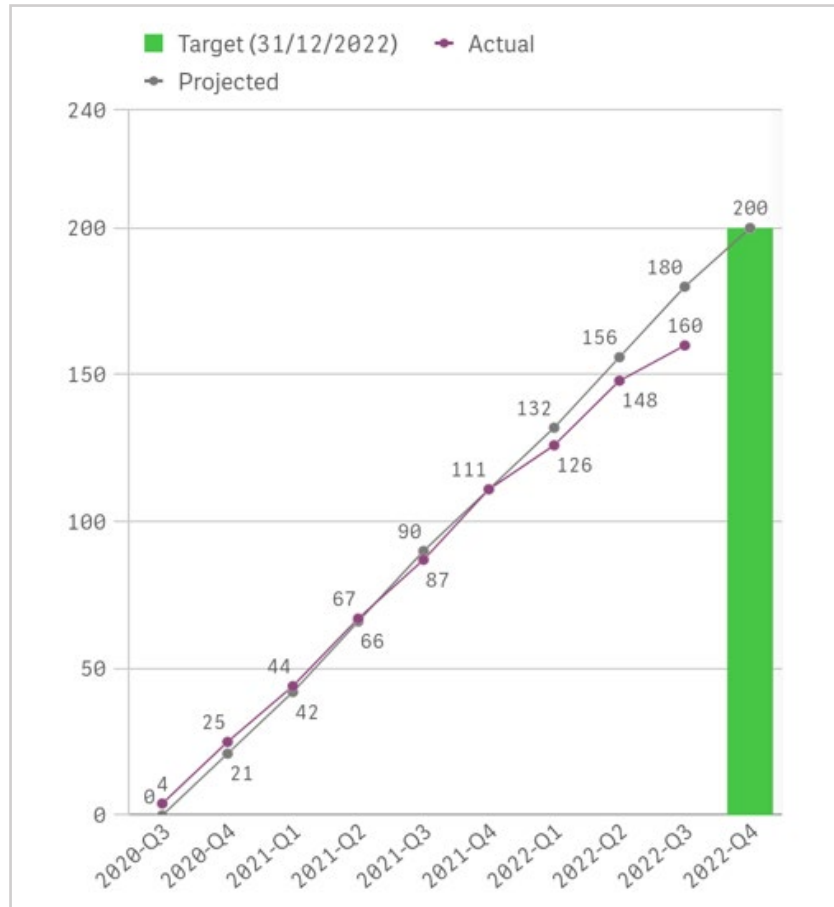
2 Stop Work Orders

21% Red

60% Amber

19% Green

It's not a case of IF, but WHEN – RAB



160

Audits Commenced



79

Audits Closed



86

Anytime/Anywhere Audits



1357

Storeys



17,465

Units



64% presented with serious defects
(160 Audits, 103 developments)

672

Serious Defects



1868

Potential Serious Defects



Time for financiers and developers to get serious

Regulator (BRD) Rating Risk Focussed



Regulator can efficiently commit resources to protect the public interest



Thank you

