



The Hon Karen Andrews MP

Minister for Industry, Science and Technology

Min ID: MC19-002965

Mayor David O'Loughlin
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

Dear Mayor *David*

Thank you for your letter of 14 August 2019 concerning resolutions transmitted from the Australian Local Government Association (ALGA), following the National General Assembly of Local Government. I apologise for the delay in responding.

I note that a number of the resolutions you have transmitted, including 57, 57.1 and 58, relate to inadequate enforcement of state and territory building regulations and systemic non-compliance in the building industry.

While the Australian Government does not have constitutional power to regulate the built environment, the Government is working with all jurisdictions through the Building Ministers' Forum (BMF), which I chair, to lead collaboration on nationally consistent responses to these issues.

The *Building Confidence Report*, which was commissioned by the BMF, found a number of significant deficiencies with Australia's building industry culture and governance arrangements, and made 24 recommendations to address these. One of the issues identified was inadequate enforcement of state and territory building regulations and the National Construction Code (NCC).

In July 2019, Building Ministers agreed to a national approach to the implementation of the *Building Confidence Report* recommendations. To achieve this, an implementation team has been established within the Office of the Australian Building Codes Board (ABCB). This will ensure resources are dedicated to developing a national framework for the consistent implementation of reforms. These reforms are critical to restoring confidence in Australia's building industry.

In relation to rectification of non-compliant combustible cladding, the state and territory governments have acknowledged that they will take responsibility for their individual paths to remediation and rectification. While I am extremely concerned for the residents and people affected by these building failures, the cost burden should not be on taxpayers nationwide.

Regarding resolution 59 (building specifications to reduce non-permeable surfaces and increase rainwater harvesting) and resolution 60 (energy performance standards in the NCC), the ABCB is responsible for the development of the NCC, which is adopted by each state and territory through their own building legislation. As you may be aware, the ABCB has representatives from all three levels of government, including ALGA, and from industry. The Government supports the work of the ABCB which is established and funded by an Intergovernmental Agreement between the Government and all state and territory governments.

The Government and the Council of Australian Governments (COAG) have recognised the economic opportunities and environmental importance of improving domestic recycling in Australia. As such, the Commonwealth supports the ALGA representative on the ABCB raising the issue of reducing non-permeable surfaces and increasing rainwater harvesting and re-use at a future Board meeting, or through the ABCB's extensive consultation mechanisms that govern its administration of future updates to the NCC.

In July 2019, Building Ministers agreed to the development of enhanced energy efficiency provisions for residential buildings in the NCC, informed by the COAG Energy Council's trajectory for low energy buildings. The ABCB will shortly release a paper for public consultation on options for implementing these provisions in the NCC.

In relation to resolution 75 on asbestos contamination, the Government recognises the significant health risks posed by Australia's deadly asbestos legacy. The Asbestos Safety and Eradication Agency (ASEA) was established in 2013 to develop and coordinate implementation of Australia's National Strategic Plan for Asbestos Awareness and Management (NSP).

ASEA is finalising the next phase of the NSP for 2019-23 which will include national targets to focus and measure action to prevent exposure to asbestos fibres now and into the future. Responsibility for implementing the actions set out under the NSP lies with individual jurisdictions. This aligns with Australia's regulatory framework for asbestos in which the Commonwealth, states and territories and local governments have responsibility for managing asbestos within their respective jurisdictions.

In relation to resolution 121 on local government incubator grants, the Entrepreneurs' Programme provides funding to incubators to deliver services to Australian start-ups. Through Incubator Support, funded incubators assist start-ups with improving their business capabilities and prospects of commercial success in international markets; and to develop Australia's innovation ecosystem including in Australian regions.

Incubator Support provides matched funding under two streams: New and Existing Incubator Grants and Expert-in-Residence Grants. Local governments are eligible to apply under Incubator Support eligibility criteria as a lead applicant and successful applications from local governments and councils have received funding under both streams. Further information can be found at www.business.gov.au/assistance/entrepreneurs-programme.

The Financial Assistance Grant program, administered by the Department of Infrastructure, Transport, Cities and Local Government, provides untied funding to every local governing body in Australia. As this is untied funding, councils can direct it to council operations, local priorities and projects that build local capacity. In 2019-20, the allocation under the Financial Assistance Grant program was increased from \$2.4 billion to \$2.5 billion.

Thank you for writing on this matter.

Yours sincerely



Karen Andrews

4 / 10 / 2019

Cc: The Hon Mark Coulton MP, Minister for Regional Services, Decentralisation and Local Government