



**THE CONSTRUCTION INDUSTRY IS A CRITICAL PART OF THE ECONOMIC & SOCIAL FABRIC OF AUSTRALIA & NEW ZEALAND**



**The industry has been under increased scrutiny**



## Reputation

Recognised as having poor productivity, low technology uptake, and weak margins.



## Failures

The construction industry has a disproportionately high level of insolvencies, which remain at elevated levels.



## Defects

Numerous reports have identified a range of issues across the broader construction environment and all stakeholders have work to do.



## Building Confidence

In Australia, the Building Confidence Report made recommendations for legislative reform, and in identifying the challenging task of implementing change, acknowledged **positive cultural change cannot be done by government alone...**



## Industry Leadership

**Many in the industry have stepped up...**

- **Collaborating** around a construction capability to assist in cultural change
- **Partnering** to embrace a performance-based approach to measurement
- **Implementing** accreditation & ratings in support of more informed purchasing, trade, finance & insurance
- **Providing** transparency for consumers in order to restore trust in the industry



## Values

**Collaboration • Leadership  
Integrity • Transparency • Trust**

## WHAT IS iCIRT

A collaboration of nationally focused industry leaders and stakeholder champions working together to improve transparency and trust across our built environment, with the objective of establishing an **independent Construction Industry Ratings Tool (iCIRT)** to restore the public trust & consumer confidence in construction.

## Targeted Outcomes & Tangible Impacts

Improved Consumer Confidence
Fewer Building Defects
Limited Exposure to Insolvencies
Reduced Impairment of Value
Improved Home and Workplace Safety



## iCIRT WILL...



Be an independent, trusted and centralised repository of accredited and risk-rated building practitioners, companies, supply chains and buildings.



Be universally applicable with interfaces to support configuration and integration across multiple jurisdictions.



Apply proportionality and fit-for-purpose weights to obtain appropriate benchmarks to rate and compare.



Use a wide range of data to measure technical, operational and financial capability and capacity of both individuals and companies.



Positive & negative feedback loops from past projects, with ratings of past built assets, considering the number of defects, claims and complaints relative to benchmarks.

## DRIVING CULTURAL CHANGE THROUGH ECONOMIC BENEFITS AND COMMERCIAL CONSEQUENCES

### Benefits



Improved consumer trust and pre-sales confidence



Broader and faster access to finance on more favourable terms



Wider insurance coverage at competitive prices



Improved supplier confidence and trading terms



Earned autonomy with more construction flexibility and lower surveillance

### Burdens



Licence constraints, suspension, disqualification



Additional security and guarantees required



Contract restrictions incl. standard contracts, building type and size constraints



Frequent monitoring, oversight and intervention, assigned certifiers



Penalty cards, mandatory refresher training for transgressions

A NUMBER OF BUSINESS LEADERS ARE WORKING TOGETHER ON THIS TRANSFORMATIONAL JOURNEY TO BUILD AND SUPPORT A WORLD-CLASS CONSTRUCTION INDUSTRY...

## WHO IS iCIRT FOR



**Consumers are at the heart of iCIRT**  
Restoring public confidence in the construction industry; ensuring safe and sound buildings and secure investments.



**Constructors**  
Quality buildings depend on developers, builders and certifiers, and these will be the first to be rated. Others include consultants and sub-contractors.



**Financiers and Insurers**  
Transparency to support faster and better decisions, and to confidently evaluate and price risk, protecting portfolios from loss or impairment.



**Manufactures and suppliers**  
Seeking confidence across their trading relationships, and supporting their decisions in their terms of supply and extension of credit.



**Government and Regulators**  
Charged with ensuring public safety, security and well-being through effective worksites and compliant buildings.

### Current State

- ⊗ DEFECTS AND NON-COMPLIANCE
- ⊗ SPVs, PHOENIXING & INSOLVENCIES
- ⊗ LIMITED OVERSIGHT
- ⊗ SIGNIFICANT RISK EXPOSURE
- ⊗ DISPUTED ACCOUNTABILITY
- ⊗ DYSFUNCTIONAL GOVERNANCE



### Future State

- ✓ ROBUST & RELIABLE RATING FRAMEWORK
- ✓ ACCOUNTABLE & CREDITWORTHY BUILDERS
- ✓ SAFER, COMPLIANT WORKSITES
- ✓ SUPPLY CHAIN VISIBILITY & OVERSIGHT
- ✓ LESS DEFECTS AND SAFER BUILDINGS
- ✓ RESTORED CONSUMER CONFIDENCE IN CONSTRUCTION