

## D R DOSSETOR ADDRESS – 18 May 2016: Dr Bronwyn Evans, CEO Standards Australia

Good evening and thank you for that very warm introduction

Before I continue I would like to acknowledge the HIA National President Ross Lang and the Board, Managing Director Shane Goodwin and the HIA team.

I also acknowledge Clive Dossetor and his wife Lyn who I have had the opportunity to meet tonight.

I would like to thank you as an Association for the work that is put in by HIA members to the Standards Development process and as I hope I will make clear, your engagement and contributions will be of increasing importance to us, and to you, and to Australia.

My connection to the housing sector is not just as the CEO of Standards Australia and an appreciative home owner, but also through my parents who built our family home in Dapto more than 60 years ago. Dad using his trade skills as a builder and master plasterer and Mum using her diminutive strength as the labourer.

They were both very proud of our double brick house on The Princes Highway – a sure sign of respectability in their eyes, because to own one's home is an important milestone in the lives of adults and families the world over and so it remains – which is why it is a great honour and pleasure to be here to deliver the D R Dossetor address for 2016.

I would like to start this address by reflecting on the history of our two organisations.

Standards Australia was formed in 1922, and the HIA 1945 in its initial form as the Builders and Allied Trades Association.

It is fascinating to look at the Australia of the day.

In 1922 Australia's population was 5.5 million. In 1945 Australia's population was 7.3 million

Now in 2016

- We have a population of just over 24 million and there are over 20 million mobile phones in use;
- Our cities have been transformed – in large part by your sector - and we are living in times like those we have never seen;
- Our life expectancy is 82 years and we are working longer;
- There are disruptive forces impacting all aspects of our lives.

Through this transition, our organisations have been there to support this change. In so many ways your sector has built the Australia of today and this should never go unrecognised. It is clear that this contribution is due in large part to the visionary legacy of leaders such as DR Dossetor.

The continuing contribution to the Australian economy from your sector is without question.

On the housing side over one million Australians are employed in the residential building sector which also employs around 45,000 apprentices.

## D R DOSSETOR ADDRESS – 18 May 2016: Dr Bronwyn Evans, CEO Standards Australia

In 2014 almost 200,000 new houses were built at a value of a staggering 76 billion dollars - a figure that does not take into account the associated economic value that is created by the development and renewal of our cities, towns and in rural production.

Similarly, Standards Australia's success and current role as a key contributor to Australia's Quality and Technical Infrastructure is due to the visionary legacy of the very first Committee which had among its members Essington Lewis (BHP), Sir Edward Holden (Holden cars) and John Bradfield (soon to be famous for the building of Sydney's harbour bridge).

The well-known economic and social commentator Bernard Salt said in an article on jobs and prosperity in October 2015 that ... "The skills required to deliver future prosperity are based around education, innovation and enterprise."

He goes on to say that this means "we need the right social infrastructure, technical infrastructure support programs and overall attitude towards business creation"

I would expand on this list and say that getting the technical and regulatory settings right has been, and will continue to be key to wealth creation.

In the developed world houses are not built without rules and systems. Roads and bridges equally rely on design and testing standards as do electrical, water and waste systems. These systems and the settings within them need to manage both risk and business growth.

It is almost impossible to reflect on a world without standards, but to take that a little further, we need to ensure that our world continues to have the right standards built in the right way by the right people.

In contrast to many other sectors in the economy, you are fortunate that you have a single national construction code and that the states and territories with your support came together to harmonise building regulation across the country.

This work has been first class.

We should all be very proud of the performance based construction code and standards system that we have established around building control.

When I talk to people in other parts of the economy who deal with 9 or 18 or 27 different sets of regulation, you are well placed comparatively but there is always room for improvement.

I understand the risk that your sector faces every day, and the increasing challenges that have presented as Australia's economy has changed over the last 20 years in particular.

We commend the HIA for the leadership role you took on non-conforming building products and the work that you have done over many years that has gained national attention.

This is one of the areas where we, collectively, can do better and your insights into how this might be will be critical to success.

Looking outside our national borders, Australia's residential housing sector is considered to be an exemplar in the world of international standards, with requests from near neighbours to work with us to get insights and understanding about how to define a roadmap of standards development that is fit for purpose for a unique community, a unique geography and unique set of housing design parameters.

## D R DOSSETOR ADDRESS – 18 May 2016: Dr Bronwyn Evans, CEO Standards Australia

I congratulate and applaud you for your involvement with us in shaping and driving a strong technical infrastructure in Australia.

Again, taking an historical context as the starting point for my next theme, it is notable that during the Industrial Revolution there was a single fundamental disruptive force changing everything.

Today, groups like McKinsey talk about 4 fundamental disruptive forces or global megatrends: Urbanisation, Accelerating Technological Change, an Ageing Population and Greater Global Connectedness.

I will deal with each in turn.

Urbanisation across the world is seeing 65 million people each year moving from the countryside to the city – about 2.5 Australia's moving and requiring housing at the very least. This presents many opportunities for you both domestically and on the service and product export side.

Accelerating Technological Change needs no real discussion but everyone has a story. When I was doing my engineering degree the computer we used required punch-cards and a trek across the campus to test the code just written. Now, the computer in any mobile phone is a million times cheaper and many thousands of times more powerful. And back then only Maxwell Smart had a phone in his watch.

With the rapidly ageing population policy makers now talk about lives in two phases - the first 50 years and the second 50 years.

Just last month a scientist made the statement that the first adult who will live to 150 has just been born. So everything we thought about mid-life crises, retirement ages and old age needs to be reconsidered.

The fourth force is that of the Greater Global Connectedness. Accelerating flows of trade, capital, people, data and communications are changing things by the minute. In many sectors, no one questions that members of a team might live in Geneva, or Tokyo, or Auckland, let alone in another city in Australia. We are connected, all the time, and in all aspects of our lives and business.

These trends are at the same time exciting and daunting and all very relevant to you.

Accelerating Technological Change is a trend that regularly gets our attention. The world of fintech though, may not seem very close to you but imagine if all the records and transactions and money that you have in the world started to move to a new frontier.

This is happening now and it's called blockchain.

Banks, stock exchanges and land registries are just some of the sectors of the economy that can see enormous benefits and efficiencies possible from using blockchain structures. It won't be long before you start talking about paying and being paid in this new world using a cryptocurrency like bitcoin.

Some of you may have seen the recent reporting of when bitcoin goes wrong. Imagine a banking world without regulation or standards.

## D R DOSSETOR ADDRESS – 18 May 2016: Dr Bronwyn Evans, CEO Standards Australia

Standards Australia, with key stakeholder groups in Australia, including Treasury, ASX, CSIRO, Technology Companies and the Australian Information Industry Association is there working through these issues on the standards side to support the move into the new economy.

To be clear, we are not inventing these protocols but seeking to normalise and standardise the foundational aspects of blockchain technology at an international level.

Closer to you all is the smart agenda, connecting everything to everything.

Smart devices, cars, homes, cities and countries will continue to evolve and impact you and your business and lives. The opportunities that present in the built environment and real and there to be taken. This trend is not going away.

In Australia and across the developed world, our population is ageing. In the AFR last Monday a report from the East-Asia Forum reports that Japan already has one third of its population over 65 and 12.5% over 75.

This is further supported by PricewaterhouseCoopers Australia's report "Finding gold in the Silver Economy" where they observed that:

- For many people 45 will be the new 25 and 85 will be the new 65. What's not to like about that!

The OECD has also done some excellent work looking at the policy settings necessary to manage this shift in our population.

The OECD has observed that in order to deal with the issue:

- Properly assessing how affordable housing could be implemented goes beyond the cost of a unit to a view on how a unit fits into a city scape, to transport and health facilities and to the availability of paid and unpaid work to build communities.
- The need for remodelling and repurposing existing building stock could stimulate housing markets.

The good news is tempered by the fact that today, around 80% of retirees receive a full or part pension and in 40 years' time, it is estimated that 75% of the population would receive a full or part pension if current measures remain in place.

The opportunities presented by this shift in population for your sector are real. So is the economic and social risk.

Australia has an outstanding quality of life when compared with other countries and to be able to keep it we must be smart about what we do.

With a population that is living longer, we cannot afford to continue with the status quo. Scaling up more of the same isn't an answer. We need to do things differently.

From a standards perspective we have a very good and robust set of standards for the cities and communities we have today, but tomorrow, with the pressures and challenges from these global trends starting to impact us all; we need to ask if we are able to respond fast enough to be part of the solution and lead the discussion.

## D R DOSSETOR ADDRESS – 18 May 2016: Dr Bronwyn Evans, CEO Standards Australia

We have started work on a program to scope out aspects of the silver economy together with other APEC countries. Japan, Singapore, Korea and USA have clear needs now and are working with us on the project. They bring their own expertise, ideas and resources to the project so that we can accelerate the benefits for the global economy.

This conversation is equally relevant to you across all aspects of the residential sector and how your markets and skills and capital need to adapt. There is a growing discussion around universal design and the work that is being done by Liveable Housing Australia connecting to other agendas in health and in ICT and the range of cities discussions underway in Australia.

The megatrend I'm talking about here is not one of the four, it's all of the four. Urbanisation, Accelerating Technological Change, the Ageing Population and Greater Global Connectedness all converging in your sector which presents so much opportunity.

I've spoken about how megatrends are impacting our lives. I've spoken about the opportunities and risks that in your sector.

The next question to ask is, "What are you, Standards Australia, doing about it?"

We are preparing, methodically and carefully, for the review of our future publishing arrangements with SAI Global in 2018. On this, we hear your feedback loud and clear.

The world of standards development is also subject to digital disruption and technology opportunities.

Consumers of standards products in Australia and around the world are starting to look for more.

And we are getting ready.

- The standards that you will need for tomorrow are not digital versions of the books of today. The need for a 1684, *Timber Framing Code*, will be there, but it will look very different and work very differently with input from you.
- We are streamlining our workflows and publishing tools so that something that takes us weeks to complete today will take us moments tomorrow.
- We are building a digital repository for our standards that will allow us to be able to distribute content for tomorrow.
- We are focused on quality and on the good use of contributors time, so that our standards contributors are adding value when it is needed in an efficient way.
- We are thinking about how our outputs adapt to trends like modular construction and the Internet of Things and how we can do this with you.

We are doing all of this to make it simple, faster and better to work with us use our standards.

## D R DOSSETOR ADDRESS – 18 May 2016: Dr Bronwyn Evans, CEO Standards Australia

We are looking even further ahead to how we can, when we can, be able to better connect with our users, our contributors and the community.

We are listening to and talking to those who want choice, and we are looking at partnerships with those who want to add value to the work that we are doing. You are a strong voice in these discussions. Thank you.

In all of the decisions that we are making today, the best interests of our stakeholders and the Australian community are front of mind – and so, so importantly, in the context of the megatrends I have referenced tonight.

As a key member of ours, your insights have been very important as we have started this journey of digital transformation and will only become more important as we get down to discussions about what our customers need.

In the spirit of DR Dossetor and his contribution to home ownership in Australia, we see a future where information in the construction sector – including ours – does more to support you, your customers and the communities that you serve in the ways that you need it and in ways that make sense.

Our vision is clear and your input is critical. The conversation is only beginning.

### **Closing remarks**

Ladies and Gentlemen, it is wonderful to be here tonight.

I applaud you for your contributions to our economy and to Australian life.

With technology changing everything we do

With innovation bringing opportunities for new ways of working and new ways of living

And with new opportunities coming faster than ever

We want to continue to partner with you to make sure that Australia and indeed all communities benefit from these disruptive forces.

----